

# Good Practice Guide For Governing Bodies

OF INDIAN TECHNICAL EDUCATION INSTITUTIONS PARTICIPATING IN TEQIP-III

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## GOOD PRACTICE GUIDE FOR GOVERNING BODIES

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# INTRODUCTION

## Why Good Governance?

Good Governance can be an elusive concept in addition to being difficult to achieve. Some equate it with greater autonomy, others believe that it is more aligned with strong leadership. Both characteristics are necessary for good governance, but can be manifested in different ways. The goal of this guide is to help institutions truly embody the principles of good governance, not just for the sake of compliance but so they may see genuine improvements in the quality of their institutions. It is important to remember that good governance is a process, and does not happen overnight. It may take years to achieve desired results, and requires strong leadership.

However, the outcome is worth the effort, as institutions with good governance reflect many benefits:

- *Integrity in appointments at all levels, both external and internal*
- *Strong leadership and management skills in all places where they are needed*
- *Processes in place for monitoring the quality of teaching and learning, and within institutions for improving that quality with appropriate student involvement*
- *Processes in place to deliver improvements in research quality (assuming that there is significant research activity)*
- *Lean and competent administration*
- *Robust and transparent financial systems, especially regarding procurement, and strong internal and external audit*
- *Effective and transparent mechanisms to determine remuneration at all levels*
- *Strong human resources processes such as appraisal, development and dealing with poor performance*
- *Effective student support arrangements*
- *Student participation in management and governance at all levels.*

A good governance system ensures that educational institutions have independent and fully empowered governing bodies with representation from key constituents such as independent members representing industry, the community, faculty and students, whose **sole purpose is to support the mission and objectives of individual institutions.**

## Who is this guide for?

- All Governing bodies: Boards of Governors, Syndicates, Executive Councils, Boards of Management, Governing Councils and so on, in Public and Aided institutions as well as in institutions managed by private Trusts and Societies.
- Individual governors and others with governance responsibilities, including policy makers and government officials.

## What does this guide do?

The Guide aims to assist governing bodies to increase their awareness of their tasks and duties, and the fundamental importance of their work to institutions including:

- Setting strategic aims and goals
- Promoting quality, credibility and transparency of the educational and research activities
- Ensuring accountability and effective scrutiny,
- Monitoring and measuring performance, and
- Ensuring the effectiveness of the head of the institution (and appointing him/her as appropriate)

**Who else should governing bodies work with?**

Governing bodies should work with other key managers and stakeholders, such as the head of institution, subcommittees, and public and private entities. Good governance is not just the responsibility of the governing body, it should permeate the entire institution.

**What is the desired outcome of a governing body?**

To demonstrate the governing body's effectiveness and full support of the mission and objectives of their institutions. Governing bodies should have the best interest of the institution at heart, looking to create a high-quality environment for administrators, faculty, students, and other external stakeholders such as the private sector.

# 5 PRINCIPLES OF GOOD GOVERNANCE

Though there is no specific formula on how to produce good governance, a key ingredient is the governing body. Good governance also extends beyond the governing body, but for the purposes of being able to provide actionable items to institutions, this guide focuses on that group of individuals. The governing body (Board of Governors, Syndicate, Executive Council, Board of Management, Governing Council and so on) is responsible for ensuring the effective management of the institution and for planning its future development. **It has ultimate responsibility for overseeing all the work of the institution.** In this regard, the governing body is a thermostat for how well the institution is performing.

This **Good Practice Guide** is set out under five key areas of good governance core principles and practice. These are generic. They can, and should, be applied to all institutions. The implementation of this guide may vary according to the size, mission and type of institution.

In particular, implementation may be constrained by a low degree of autonomy of the governing body from the funding government or private trust, especially during times of reform and transition. However, the core principles embedded in this guide are the same for any governing body, institution, private trust and funding government wishing to demonstrate that it is practising good governance.

## A. PRIMARY ACCOUNTABILITIES OF GOVERNING BODIES

A governing body is collectively responsible for overseeing an institution's activities, determining its future direction, and fostering an environment in which the institutional mission is achieved.

The governing body essentially acts as a **quality assurance mechanism**, ensuring that certain standards are met.

The **primary accountabilities** of governing bodies are:

- **To approve the mission and strategic vision** of the institution, long-term business plans and annual budgets; ensuring that these meet the interests of stakeholders, including students, employers, local communities, government and others representing public interests.
- **To ensure the establishment and monitoring of proper, effective and efficient systems of control and accountability** (including financial and operational controls, risk assessment and management, clear procedures for managing physical and human resources including for example, handling internal grievances and for managing conflicts of interest.)
- **To monitor institutional performance and quality assurance arrangements**, which should be, where possible and appropriate, benchmarked against other institutions nationally and internationally (including accreditation and alignment with national and international quality assurance systems.)
- **To engage in ways to improve the quality and standards of research and development (R&D) outputs.**
- **To encourage the development of methods to monitor teaching and learning quality; and to track progress.**
- **To put in place suitable arrangements for monitoring the head of the institution's performance.**

These accountabilities should not be confused with management of the institution, of which the head of institution is ultimately responsible. Rather, the governing body should look at itself as a partner with the leaders of the institution. There should be clarity around these two roles so that tensions do not arise, as well as delegation of authority, namely to subcommittees. This allows implementation to be divided amongst various stakeholders and can serve to deepen their commitment and investment in good governance at the institution.

## **B. OPENNESS AND TRANSPARENCY IN THE OPERATION OF GOVERNING BODIES**

Strong governing bodies promote **transparency and openness** in support of the high ethical standards expected to ensure public trust and institutional integrity. For example, by:

- **Publishing an annual report on institutional performance**, including the identification of key individuals and a broad summary of the responsibilities and accountabilities that the governing body delegates to management, or those that are derived directly from the instruments of governance.
- **Providing as much information as possible to students, faculty, the general public and potential employers** on all aspects of institutional activity related to academic performance, finance and management. This may be as simple as making the minutes of governing body meetings public and accessible online.
- **Ensuring that all reported information, including that conveyed in marketing campaigns, is truthful** (if there are legal or commercially sensitive reasons for not providing information these should be made publicly known).
- **Maintaining a register of interests of members of its governing body that is publicly accessible.**
- **Conducting proceedings of governing bodies in an open a manner as much as possible** (and permissible by statutes), including the review of the governing body and any reports on the outcomes of such reviews.
- **Detailing student admission information to ensure public trust and confidence in the integrity of the processes used** regarding the selection and admission of students using clear and transparent criteria, procedures and processes.
- **Ensuring that vacancies are widely publicized both within and outside the institution.**

The general principle applies that students and staff should have appropriate access to information about the proceedings of their governing body. "Publicly accessible" generally means that the information is available on the institution's website or via the administration office should internet access be a challenge. Transparency removes any questions stakeholders might have about how the institution is functioning. Promoting an open culture and open access to information boosts morale amongst staff and students, making the institution a desirable place to work and study.

## **C. KEY ATTRIBUTES OF GOVERNING BODIES**

High performing governing bodies internalize their role, responsibilities, ethics and duties. They understand how they should carry out their duties to safeguard the mission, objectives and reputation of the institution on whose governing body they serve. The following are the key attributes of high performing governing bodies:

- Size of governing bodies
- Skills, experience and competences
- Independent members
- Appointments
- Clarity of responsibilities
- Commitment
- Conduct

Recruiting and building a governing body is not always easy. There may be times when highly qualified individuals have conflicts of interest or when some members fail to perform their duties. In these instances, it is helpful to create processes for dealing with such occurrences. It may be necessary to establish policies like rule of quorum, or recruitment strategies.

#### **D. EFFECTIVENESS AND PERFORMANCE REVIEW OF GOVERNING BODIES**

It is important to continually review the performance of the governing body. This can be done through the Institutional Governance Review Template found at the end of this guide. The self-review can be conducted on a yearly basis. It is important to see whether or not the institution has more or less followed the strategic goals laid out by the governing body, and also to see if the governing body is meeting regularly and taking decisions.

The first review can serve as a baseline and will reveal areas that need more work. Governing bodies should develop some key performance indicators that can benchmark institutional performance, e.g. number of meetings with minutes; action plan published on website; annual report with institutional performance published online. As institutions continue to improve, these indicators can also be measured against other comparable institutions.

In reviewing its performance, a governing body should reflect on the performance of the institution and determine whether it is meeting both long-term strategic objectives and short-term indicators of performance/success.

#### **E. REGULATORY COMPLIANCE**

Governing bodies ensure compliance with the statutes, ordinances and provisions regulating their institution, including regulations by Statutory bodies, such as the AICTE and UGC, as well as regulations laid out by the State government and affiliating university (if any); and, subject to these, take all final decisions on matters of fundamental concern to the institution. The regulatory compliance includes demonstrating compliance with the 'not-for-profit' purpose of education institutions.

From experience in India, and elsewhere, **effective governance** is most likely to be prevalent when it is **an integral part of the acts and statutes that considers both autonomy and accountability.**

# GOOD PRACTICE GUIDE FOR GOVERNING BODIES

These *Guidelines for Governing Bodies* provide more detailed recommendations under the five areas of key *Principles* outlined earlier.

If governing bodies do not yet undertake some of primary accountabilities mentioned in this Good Practice Guide for Governing Bodies, we recommend that an independent state body/committee undertake such accountabilities in the interim. Such a body could be the State Council for Higher Education. In such circumstances the body must adhere to the same Guidelines, and involve key members of governing bodies of the institution concerned with appropriate skills and experience.

## A. PRIMARY ACCOUNTABILITIES OF GOVERNING BODIES

### *Strategic Planning*

#### **What is strategic planning?**

This responsibility includes considering and approving the institution's strategic plan, which should set out the academic aims and objectives of the institution and identify the financial, physical and staffing strategies necessary to achieve these objectives. Institutions should adopt a risk-based approach to strategic planning, meaning that 1) the strategy and objectives are defined (e.g. "Increase R&D outputs"); 2) the risks to achieving that objective are identified (e.g. "Not enough faculty experience"); 3) the risks are assessed (e.g. "Do we accept this risk? Mitigate it? Avoid it?"); and 4) the risk is managed (e.g. a decision is taken).

#### **Why is it important?**

Strategic planning provides guideposts for the institution. It lays out a clear path of how an institution can achieve progress – whether it be a stronger faculty cohort or greater autonomy.

#### **How is it achieved?**

It is the duty of the governing body to oversee the creation and delivery of the strategic vision and direction of the institution. However, it is the responsibility of the head of the institution and the executive to convert the strategy into detailed business planning that is delivered consistent with the values, purpose and mission of the institution. It is important that the strategy is well-communicated and internalized by all stakeholders. The governing body should take ownership of the strategy and be prepared to answer questions about it, and explain why it is good for the institution.

Below are other areas that the governing body oversees:

### *Finance*

The governing body's financial responsibilities include:

- Ensuring the solvency of the institution and safeguarding its assets
- Approving the financial strategy
- Approving annual operating plans and budgets which should reflect the institution's strategic plan
- Ensuring that funds provided by funding bodies are used in accordance with the terms and conditions specified in any funding agreements/contracts /memorandum
- Ensuring that there is a clear and quantified scheme of financial delegated authority of approval and expenditure to managers at appropriate levels

- Ensuring the existence and integrity of risk management, control and internal governance systems and monitoring these through an audit committee
- Receiving and approving annual accounts (audited financial statements) and periodically monitor the capital and operating expenses (at least once in a quarter) to ensure that the finances of the institution is managed as per the approved plan and to approve genuine variations, if any.

### **Delegation**

Much of the daily financial control and approvals can be delegated to a **finance committee** or equivalent.

Responsibility for administering the finances and advising on financial matters is delegated to a professional employee, generally designated as **director of finance**. That individual should regularly communicate with the head of the institution whenever necessary.

### **Budget**

An essential element of financial management is the **annual budget**. The budget generally consists of expected income (revenue), and planned expenditures based on revenue. In many institutions the approval of the annual budget is the responsibility reserved under the constitution to the governing body for its collective decision, without delegation. The governing body should approve the annual budget before the start of the financial year.

In conjunction with the revenue budget, a capital budget must be prepared, which identifies capital (usually infrastructure) needs and identifying required funding sources and ways to raise money.

Most institutions devolve the management of clearly identified elements of the annual budget to specified managers, e.g. there may be someone who oversees how much money various departments receive. This means that these budget holders need some system in place in order to receive accurate and timely financial information.

### **Financial regulations and procedures**

Regulatory bodies may require institutions to include a **statement of internal control** in the corporate governance section of the audited financial statements, explaining the risk management arrangements adopted by the governing body.

The governing body and/or its finance committee should receive summarised performance information at regular points in the year.

Institutions must have financial regulations and procedures. Financial regulations should specify the financial responsibilities and authority of the governing body, its committees, and staff.

Financial procedures should specify processes to be followed in day-to-day financial transactions. There should be clear policies on a range of systems, including treasury management, investment management, risk management, debt management, and grants and contracts. These should be periodically reviewed to keep them up-to-date.

### **Procurement**

Procurement can be a thorny issue for institutions, but the governing body is responsible for ensuring that there is some **internal control system** within the institution. This system should ensure that funds are being well-spent without compromising quality, transparency, and fairness.

Public and publicly aided Indian higher education institutions are bodies to which public procurement rules apply, in particular the relevant central and state Financial Management Rules, Stores Purchase Rules and Public Works Code. Contracts must be awarded in accordance with those rules. (For Institutions participating in the TEQIP-III project, all project expenditures incurred should follow the project's specific procurement rules).

Governing bodies should ensure that:

- Adequate internal procurement policies and procedures are in place
- Policies and procedures are consistently applied, and there is compliance with relevant legislation

- Procurement is carried out in an open and transparent manner without any entry barriers and all eligible suppliers, manufacturers and consultants are allowed to participate

### **Audit and the Audit Committee**

#### **What is an audit?**

An audit is an inspection of the institution's financial accounts, risk management strategy, control systems, and governance. Audits can be internal or external.

#### **Why is it important?**

Internal audit provides independent assurance about the adequacy and effectiveness of financial management, risk management, control, and governance. The internal audit service should also advise on value for money and should be able to give valuable advice when new systems are being put in place.

Regulatory and funding bodies may require institutions to appoint an audit committee and set up internal and external audit arrangements in accordance with appropriate *Audit Codes*, as may be required by such bodies.

#### **What is the governing body's role?**

- Appoint the audit committee
- Consider and, where necessary, act on an annual report from the audit committee
- Consider the annual report of the internal audit service
- Appoint external auditors, ensuring a regular rotation of appointment
- Receive and approve the audited annual financial statements in a timely fashion (no later than 4 months after the end of the financial year). This responsibility is usually reserved by the institution's constitution to the governing body for its collective decision, without delegation.

**The audit committee should be a small but authoritative body, which has the necessary financial expertise and the time to examine the institution's risk management control and governance. The audit committee should report areas of concern to the governing body.**

The committee must produce an annual report for the governing body, including its opinion on the adequacy and effectiveness of the institution's risk management, control and governance arrangements; and arrangements for promoting economy, efficiency and value for money.

### **Risk Management, Control, and Governance**

#### **What is risk management, control, and governance?**

Risk at the higher education-level generally means anything that could threaten the sustainability of the institution. This could be financial trouble or misused funds due to lack of internal controls. For example, if a department wants to buy a piece of equipment, they should go through some institutional procedures to get the equipment they need.

#### **What is the governing body's role?**

The governing body's role is to ensure that adequate policies and procedures, systems, and monitoring mechanisms are in place. This basically means that there should be some standard processes everyone understands and follows. These processes should also be reviewed every year, to make sure they aren't overly burdensome or bureaucratic.

In addition, the governing body should insist that an annual disclosure about risk management be required in audited financial statements.

**At the highest level, risk management, control and governance is exercised by the governing body and subcommittees. However, the governing body should have overall responsibility for institutional activities and finances.** Many international institutions have established a planning and resources committee to consider strategic plans

and the allocation of resources to meet such plans.

#### *Human resource management*

The governing body should have responsibility for the institution's human resources and employment policy. This includes ensuring that pay and conditions of employment are properly determined and implemented for all categories of employees. Also, ensuring that there are clear, open and transparent internal grievance and appeal procedures – that may reduce the risk of external intervention in personnel matters by agencies and courts.

**Normally, a governing body is responsible for appointing and setting the terms and conditions for the head of the institution and such other senior positions.**

#### *Estate management*

The governing body should be responsible for oversight of the strategic management of the institution's land and buildings, laboratories and other physical assets. As part of this responsibility it should **consider, approve and keep under review an estate strategy that identifies the property and space requirements needed, and also provides for a planned programme of maintenance.**

#### *Health and safety*

The governing body should carry ultimate responsibility for the health and safety of employees, students and other individuals while they are on the institution's premises and in other places where they may be affected by its operations. The governing body's duties include ensuring that **the institution has a written statement of policy on health and safety, and have appropriate mechanisms for the implementation of that policy.**

#### *Equality, diversity, and reservations*

The governing body should ensure that non-discriminatory systems are in place to provide **equality and diversity** of opportunity for staff and students.

The governing body should actively monitor that the Institution implements any affirmative actions of a State and/or Government of India such as reservations of seats and staff positions to minority groups.

<b>A. PRIMARY ACCOUNTABILITIES</b>	<b>ASSESSMENT SCALE</b>	<b>SUPPORTING EVIDENCE</b>
	<p>Circle the number you feel best reflects the quality and standard of governance practiced at the institution.</p> <p>0=Non-existent, not aware 1= Extensive improvements needed (25% or less clear supporting evidence) 4=Annual monitoring shows clear evidence of good governance in all areas, as well as year-on-year development. (75% or more clear evidence)</p>	<p>1. Give at least two of the <b>STRONGEST EXAMPLES</b> that support each grade / question under each section.</p> <p>2. Give an overall summary assessment grade based on the evidence gathered for each section.</p>
1. Has the governing body approved the institutional <b>strategic vision, mission and plan</b> - identifying a clear development path for the institution through its long-term business plans and annual budgets?	0 1 2 3 4	<p><b>Example of evidence:</b> <i>GB Minutes and/or institutional documentation indicates</i></p> <ul style="list-style-type: none"> <li>When, and to what degree, the strategic vision, mission, and plan (with a clear development path through long-term business plans and annual budgets), have been discussed.</li> </ul>
2. Has the governing body ensured the establishment and monitoring of proper, effective and efficient systems of control and accountability to ensure financial sustainability (including financial and operational controls, risk assessment and management, clear procedures for managing physical and human resources).	0 1 2 3 4	<p><b>Examples of evidence:</b> <i>GB Minutes and/or institutional documentation indicates</i></p> <ul style="list-style-type: none"> <li>Institutional audits have been prepared, discussed and approved by the GB.</li> <li>GB has discussed and approved the Annual budget.</li> <li>GB Sub-committees have met (give dates and minute refs) and reported to the main GB – including on financial and procurement risks assessed and discussed.</li> </ul>
3. Is the governing body monitoring institutional performance and quality assurance arrangements? Are these benchmarked against other institutions (including accreditation and alignment with national and international quality assurance systems) to show that they are broadly keeping pace with the institutions they would regard as their peers or competitors to ensure and enhance institutional reputation?	0 1 2 3 4	<p><b>Examples of evidence:</b> <i>GB Minutes and/or institutional documentation indicates</i></p> <ul style="list-style-type: none"> <li>Evidence of external scrutiny of course programmes reports to the GB, and actions taken and discussion by the GB.</li> <li>GB discussion of benchmarking (comparison of performance with similar institutions)</li> <li>Accreditation alignment and Academic Board reporting to the GB on effectiveness of quality assurance systems – including demonstration of improvements.</li> </ul>
4. Has the governing body put in place suitable arrangements for monitoring the head of the institution's performance?	0 1 2 3 4	<p><b>Examples of evidence:</b> <i>GB Minutes and/or institutional documentation indicates</i></p> <ul style="list-style-type: none"> <li>Discussion and approval of the arrangements put in place.</li> </ul>
<b>AVERAGE GRADE</b>		
<b>TOTAL POSSIBLE POINTS</b>	<b>16</b>	

## B. OPENNESS AND TRANSPARENCY IN THE OPERATION OF GOVERNING BODIES

In regards to openness and transparency, this namely means that **students and staff of the institution should have appropriate access to information about the proceedings of a governing body**. Agendas, draft minutes, if cleared by the chair, and the signed minutes of governing body meetings, together with the papers considered at meetings, should generally be available for inspection by staff and students. There may also be a time when greater confidentiality is required and some information omitted or simply noted as “confidential” (without any additional description) in the minutes.

### How can information be made available?

Good practice for all institutions might include placing copies of the governing body’s agendas and minutes on the institution’s intranet and in its library, reporting on decisions in a newsletter, and ensuring that the annual report and accounts are circulated to academic departments and any student representatives.

The institution’s annual report and audited financial statements should be made widely available outside the institution. Institutions should also consider publishing their annual reports on the Internet.

Additionally, it is good practice to publish:

- Audited financial statements (annual accounts). These should include a statement that covers the responsibilities of the governing body in relation to corporate governance and internal control.
- The annual report should include a *corporate governance statement* which sets out the institution’s legal status and broad constitutional arrangements, recognising the general principles of public service and indicating how they are implemented; taking account of the wide range of constituencies to which the institution reports.

Institutions should ensure that they have communication channels so that the public and local community can comment on institutional matters that concern them.

Compliance with publication of information as required by governmental and funding agencies is necessary.

<b>B. OPENNESS AND TRANSPARENCY IN THE OPERATION OF GOVERNING BODIES</b>	<b>ASSESSMENT SCALE</b>	<b>SUPPORTING EVIDENCE</b>
	<p>Circle the number you feel best reflects the quality and standard of governance practiced at the institution.</p> <p>0=Non-existent, not aware 1= Extensive improvements needed (25% or less clear supporting evidence) 4=Annual monitoring shows clear evidence of good governance in all areas, as well as year-on-year development. (75% or more clear evidence)</p>	<ol style="list-style-type: none"> <li>1. Give at least two of the <b>STRONGEST EXAMPLES</b> that support each grade / question under each section.</li> <li>2. Give an overall summary assessment grade based on the evidence gathered for each section.</li> </ol>
1. Does the governing body publish an annual report on institutional performance?	0 1 2 3 4	<p><b>Examples of evidence:</b> <i>GB Minutes and/or institutional documentation indicates</i></p> <ul style="list-style-type: none"> <li>• Annual reports (past and present) which include: key areas of performance linked to strategic mission/plan, and the institution's annual accounts, plus the identification of key individuals and a broad summary of the responsibilities and accountabilities that the GB delegates to management, (or those that are derived directly from the instruments of governance).</li> <li>• Evidence of GB discussion, approval and publication of annual report.</li> </ul>
2. Does the governing body maintain, and publicly disclose, a register of interests of members of its governing body?	0 1 2 3 4	<p><b>Examples of evidence:</b> <i>GB Minutes and/or institutional documentation indicates</i></p> <ul style="list-style-type: none"> <li>• The Register of Interests indicates whether the conduct of the GB is evidence of the good practice highlighted in the Good Governance Guidelines (see P12, C1m)</li> <li>• GB members have completed the register of interests as part of the recruitment process (plus updating as appropriate).</li> </ul>
3. Is the governing body conducted in as open a manner, and does it provide as much information as possible to students, faculty, the general public and potential employers on all aspects of institutional activity related to academic performance, finance and management?	0 1 2 3 4	<p><b>Examples of evidence:</b> <i>GB Minutes and/or institutional documentation indicates</i></p> <ul style="list-style-type: none"> <li>• All matters concerning the governance of the institution, including minutes of meetings, are available publicly, and on the institutional website</li> <li>• GB discussion to ensure that marketing and reported information is truthful.</li> <li>• Detailed student admission information, including the use of any management quota, uses clear and transparent criteria, procedures and processes that are shared on the institutional website - to ensure public trust and confidence in the integrity of the processes regarding the selection and admission of students.</li> <li>• (Discussions with students and staff should indicate) they have appropriate access to information about the proceedings of their governing body</li> <li>• Discussion and outcomes from reviews of the GB are shared on the institutional website.</li> </ul>
<b>AVERAGE GRADE</b>		
<b>TOTAL POSSIBLE POINTS</b>	<b>12</b>	

## C. KEY ATTRIBUTES OF GOVERNING BODIES

It is no easy feat to recruit a governing body, to coordinate the multitude of schedules involved, and to ensure that decisions are taken in a timely manner. While it may take time, putting the effort in to develop an effective governing body that genuinely cares about the institution's well-being and sustainability is better than a loosely assembled group of individuals who do not have a strong investment in the institution.

In building or maintaining a governing body, the following should be considered:

### *Size of governing bodies*

The size of the governing body should be such that it can carry out its primary accountabilities effectively – too big and it can be unwieldy and at worse, paralysing; too small and it could lack the skills and experience necessary to fulfill its duties competently. An average size is between 14-20 persons.

### *Skills, experience and competences*

Most importantly, **there should be a balance of skills, experience and competences** among members. It is unwise to have similar profiles for all of the members, their combined expertise should be well-rounded.

Normally, governing bodies have a majority of independent members, defined as both external and independent of the institution. **Autonomous institutions should be free from political interference in order to ensure academic freedom.**

### *Independent members*

Independent governors **should question intelligently, debate constructively, challenge rigorously and decide dispassionately, and they should listen sensitively to the views of others**, inside and outside meetings of the governing body.

### *Appointments*

Appointments to the governing body are managed by a nomination committee normally chaired by the chair of the governing body, either convened by the state independently or by the governing body.

To ensure rigorous and transparent procedures, **the nominations committee prepares written descriptions of the role and the capabilities desirable in a new member**, by assessing what is lacking or supplementary to the current experience-levels of existing members.

When vacancies arise they should be widely publicised both within and outside the institution. **When selecting a new chair, a full job description should be produced, including an assessment of the time commitment expected, recognising the need for availability at unexpected times.**

### *Rotation and re-appointment of members*

Continuity of membership is important to an institution, but so is the need for new blood and ideas. An independent members should be appointed for a given term, which should be renewable, subject to satisfactory performance. In some institutions, the period of the appointment may be laid down in the statutes, or left to the ordinances.

The renewal of any appointment should not be automatic, but should be recommended by the nominations committee as part of its report on filling vacancies – again subject to satisfactory performance. Continuous service beyond three terms of three years, or two terms of four years, is not desirable (although exceptions, such as retention of a particular skill or expertise, may be permitted). After this time, the members should normally retire and be replaced by new members. There should be no bar to a particularly valued member returning to office after a break of at least one year if

a vacancy occurs in future years. Where a member of the governing body is elected to serve as chair of the governing body or to some other statutory office such as treasurer, he/she would automatically begin a new term of membership linked to the office.

There are variations of practice in the length of term for which the chair is normally appointed. However, the re-appointment of a chair beyond two terms of four years, or the equivalent, is highly unusual.

### ***Representation of staff and students on governing bodies***

The statutes of international institutions normally provide for membership of the governing body by representatives of faculty and students (and in some cases non-academic staff); this is integral to the nature of governance in those institutions. These individuals have unique perspectives that bring value to the governing body.

In some institutions these categories of members (i.e. staff and students) can be excluded by decision of the governing body. However, it is strongly recommended that governing bodies do not exercise their power to exclude such members. If a governing body does decide to exclude them, it should record formally in its minutes the grounds for its decision, and should publish these grounds within the institution so that there is no confusion or speculation.

### ***Commitment***

The governing body should normally meet not less than four times a year. The agenda and supporting papers should be circulated in advance. The decisions of such meetings should be properly documented as minutes and circulated among all members and more widely.

Members must attend governing body meetings regularly and actively participate. The governing body should establish clearly the number, and if necessary, the category of members who constitute a quorum. If a member fails to demonstrate sufficient commitment, then there should also be procedures in place to suspend or replace that member.

### ***Conduct***

**Governing bodies are entrusted with funds, both public and private, and should observe the highest standards of ethics at all times.** This includes ensuring and demonstrating integrity and objectivity in the transaction of their business, and wherever possible **following a policy of openness and transparency in the dissemination of their decisions.** Institutions receiving diverse funding sources are also required to adhere to the good practice appropriate to both public and private sector bodies.

### ***Governors as representatives***

**Governors nominated by particular constituencies should not only act in the interest of the group they were chosen to represent.** No member should be bound by another, except when acting under approved arrangements as a proxy.

Individual members of governing bodies and governing bodies themselves can follow these standards of behavior: *selflessness, integrity, objectivity, accountability, openness, honesty, and leadership.*

If the governing body wishes to discuss some agenda items with a select group of members, they can declare in advance that they would like to have a “reserved” conversation. Such discussions should be kept to a minimum because of the general need for transparency and openness, but would normally include matters relating to an individual member of the higher education institution, or some commercially sensitive material.

**It is central to the proper conduct of public business that chairs and members of governing bodies should act and be perceived to act impartially, and not be influenced in their role as governors by social, political, or business relationships.**

Good practice requires that a member of a governing body who has a pecuniary, family or other personal interest in any

matter under discussion at any meeting of the governing body or one of its committees at which he/she is present should disclose the fact of his/her interest to the meeting and recuse him/herself withdraw from that part of the meeting.

A member of the governing body is not, however, considered to have a pecuniary interest in matters under discussion merely because he/she is a member of staff or a student of the institution.

**Institutions should maintain a register of interests of all members of the governing body.** The administrator to the governing body and any other senior officer closely working with the governing body, for example the finance director, should also submit details of any interests. **The register should be publicly available and be kept up to date.**

Details of the terms of appointment should be written in a letter of appointment, and institutions can also create a signed agreement that governors will act responsibly.

The governing body should have the power to remove any member of the governing body from office, and must do so if the member breaches the conditions of his/her appointment.

### ***Expenses and Remuneration***

Although a number of sectors now remunerate their non-executive directors for their services, in the higher education sector common practice internationally is to pay only such incidental traveling and subsistence (per diem) expenses or other allowances to independent members as the governing body sees fit. In exceptional circumstances, however, it may be deemed appropriate to remunerate an independent officer. Before any decision is taken, the governing body should consider:

- The provisions of any Trust laws
- The implications of the decision for the division of responsibilities and overall relationship between the governing body and institutional managers
- The public service ethos which should apply generally to governors
- The need to be explicit about time commitment and to apply a formal process of appraisal and performance management to the remunerated governor(s).

If it decided that remuneration is appropriate, payments should be commensurate with the duties carried out and should be reported in the audited statement of accounts.

### ***The proper conduct of public business***

To function efficiently, **a governing body must have rules for the conduct of its meetings.** Issues for which rules are required include, but are not restricted to:

- Procedures for voting, rescinding decisions, calling extraordinary meetings, and declaring business reserved
- Requirements for a quorum
- Frequency of meetings

The rules governing some of these issues may be specified in the statutes of universities, institutes and colleges. If that is not the case, then institutions should develop these rules and consolidate them with any other relevant guidelines.

Normally, members of governing bodies would refer to the administrator of the governing body for such information about the rules that may apply to their own institutions.

### ***Delegation***

The governing body may delegate authority or allocate some of its work to subcommittees, grant delegated authority to the Chair or a committee to act on its behalf, and delegate responsibility to the executive head and officers of the institution. Such delegations must be clearly defined in writing and be formally approved by the governing body. Having

delegated authority to other bodies or individuals to act on its behalf, the governing body is nevertheless still ultimately accountable and has to accept corporate responsibility for the actions taken.

#### Delegation to the Chair

The governing body may delegate authority the chair to act on its behalf between meetings. Policy on this matter should be defined in the governing body's procedures. The chair might make decisions for the governing body on things that would not have merited discussion at a governing body meeting (such as the signing of routine documents, and implementation details of things that the governing body has already agreed to).

Occasionally, matters may arise which are judged too urgent and important to wait for the next meeting of the governing body. The chair then has the option of calling a special meeting, consulting the members of the governing body by correspondence, or dealing with the matter him/herself. The chair should be careful not to take decisions by chair's action where it is inappropriate to do so, and not to exceed the scope of the delegated authority granted by the governing body.

The chair is answerable to the governing body for any action taken on its behalf. Where chair's action is taken, a report should be made to the next meeting of the governing body and included in the minutes.

#### Delegation to Subcommittees

It is common practice for a governing body to delegate some of its powers and to allocate some of its work to subcommittees. In deciding which tasks or responsibilities should be delegated to committees, **governing bodies should agree on which matters actually require collective decision-making**. Such matters are likely to include: final decisions on issues of corporate strategy; the review and approval of the institution's annual estimate of income and expenditure and audited financial statements; and the appointment and dismissal of the head of institution and the administrator to the governing body.

The articles of some institutions list key powers that the governing body cannot delegate. They may also state that the governing body must establish committees on employment policy, to come up with recommendations, not to make decisions.

**All subcommittees must be provided with clear, written terms of reference that state their responsibilities and level of authority.**

**Where a committee is acting under delegated powers it should submit regular written reports to the governing body on decisions that it has taken on the governing body's behalf.**

#### Subcommittees

Most institutions will have committees dealing with finance, estates and facilities, and human resources/staffing. In particular, the **audit committee** and **human resources committee** should play a central role in supporting the governing body. Should the institution have authority to decide upon remunerations or nominations, a **remuneration and/or nomination committee** should be established to ensure adequate attention to these two important aspects.

Governing bodies that have authority to decide upon remunerations should establish a **remuneration committee** to determine and review the salaries, terms and conditions. Membership of such a committee should include the chair of the governing body, a few other independent members and the lay treasurer if such an office exists. The **remuneration committee** should find comparable information on salaries and other benefits and conditions of service in the higher education sector. The remuneration committee must represent the public interest and avoid any inappropriate use of public or other funds. The remuneration committee's reports to the governing body should provide sufficient detail of the broad criteria and policies against which decisions have been made.

## VARIOUS ROLES ON A GOVERNING BODY

### *Clarity of responsibilities*

**The governing body should make decisions collectively.** Members should not act individually, and no decisions should be taken on governing body business on an ad hoc basis outside the constitutional framework of the meetings of the governing body and its committees.

**The governing body relies on the head of institution to be responsible for the operational management of the institution.**

### *Role of the Chair*

**The chair is responsible for the leadership of the governing body and ultimately to the stakeholders for its effectiveness.** As chair of its meetings he/she should promote its wellbeing and efficient operation, ensuring that its members work together effectively and have confidence in the procedures laid down for the conduct of business. This ranges from deciding which agenda items to discuss to keeping track of decisions to ensuring that subcommittees carry out their responsibilities.

**The chair plays a key role in the business of the institution, but should not be drawn into the day-to-day executive management.**

**For the governing body to be effective, there must be a constructive and challenging working relationship between the chair and the executive head of the institution.** This relationship will depend on the personalities involved, but both sides need to recognise that the roles of chair and executive head are distinct. The relationship should be mutually supportive, but must also incorporate the checks and balances imposed by the different roles each has within an institution's constitution. **It is very bad practice for the head of the institution to also act as the chair of the governing body.**

Independent members of the governing body should also take care not to become involved in the day-to-day executive management of the institution. This also applies to the staff and student members of a governing body, except that in the course of their employment or in their activities as students, they may have greater responsibilities within the institution.

### *Role of the Head of the Institution in relation to the governing body*

**The head of the institution is responsible for the executive management of the institution and its day-to-day direction and leadership.** The head of the institution should not seek to make decisions that are reserved for the governing body, such as the strategic direction of the institution or the overall financial management strategy.

The specific responsibilities of the head of the institution in relation to governing body business include:

- Implementing the decisions of the governing body or ensuring that they are implemented through the relevant part of the institution's management structure
- Initiating discussion and consultation including, where appropriate, consultation with the staff and the academic board/senate on proposals concerning the institution's future development, and ensuring that such proposals are presented to the governing body
- Fulfilling the duty, as the officer designated by the governing body under the terms of any regulatory/financial agreement/contract/memorandum with a regulatory or funding body (as 'the designated officer'), and to alert the governing body if any actions or policy under consideration would be incompatible with the terms of such regulatory/financial agreements. If the governing body nevertheless decides to proceed, then the head of institution has a duty to inform either the chief executive of such regulatory/funding authorities, or other appropriate officer.

*Role of the administrator to the governing body:*

The administrator to the governing body has a key role to play in the operation and conduct of the governing body:

- The administrator to the governing body should be appointed to that post by the governing body.
- Normally the administrator would combine this function with a senior administrative or managerial role within the institution.
- In carrying out his/her role as administrator to the governing body, the administrator should be solely responsible to the governing body and should therefore have a direct reporting link to the chair of the governing body for the conduct of governing body business (i.e. agendas, papers, minutes, etc).
- The chair and members of the governing body should look to the administrator for guidance about their responsibilities under the charter, statutes, articles, ordinances and regulations to which they are subject, including legislation and the requirements of any funding bodies, and on how these responsibilities should be discharged. It is the responsibility of the administrator to alert the governing body if he/she believes that any proposed action would exceed the governing body's powers or be contrary to legislation or to the funding body agreements/contracts or memorandum.

*(Note: the head of the institution is formally responsible for alerting the governing body if any action or policy is incompatible with the terms of the regulatory/financial agreements/contracts/memoranda but this cannot absolve the administrator from having this responsibility as well.)*

- The administrator should be solely responsible for providing legal advice to, or obtaining it for, the governing body, and advising the governing body on all matters of procedure.
- The administrator should advise the chair in respect to any matters where conflict, potential or real, may occur between the governing body and the head of the institution.
- The administrator should ensure that all documentation provided for members of the governing body is concise and its content appropriate.

If there is a conflict of interest, actual or potential, on any matter between the administrator's administrative or managerial responsibilities within the institution and his/her responsibilities as administrator to the governing body, it is the administrator's responsibility to draw this to the attention of the governing body. If the governing body believes that it has identified such a conflict of interest itself, the chair should seek advice from the head of the institution, but must offer the administrator an opportunity to respond to any such question.

It is incumbent on the governing body to safeguard the administrator's ability to carry out these responsibilities. It is important that the administrator also both consults and keeps the head of the institution fully informed on any matter relating to governing body business (other than in relation to the remuneration committee's consideration of the head of institution's emoluments). **It is good practice for the Chair of the governing body, the head of the institution and the administrator to the governing body to work closely together within the legal framework provided by the charter, statutes or articles of government and the ordinances and regulations laid down by the institution and any regulatory/funding body agreements.** If this is not possible because of inappropriate conduct by one of the parties involved, it is the responsibility of the governing body to take appropriate action.

<b>C. KEY ATTRIBUTES OF GOVERNING BODY</b>	<b>ASSESSMENT SCALE</b>	<b>SUPPORTING EVIDENCE</b>
	<p>Circle the number you feel best reflects the quality and standard of governance practiced at the institution.</p> <p>0=Non-existent, not aware 1= Extensive improvements needed (25% or less clear supporting evidence) 4=Annual monitoring shows clear evidence of good governance in all areas, as well as year-on-year development. (75% or more clear evidence)</p>	<ol style="list-style-type: none"> <li>Give at least two of the <b>STRONGEST EXAMPLES</b> that support each grade / question under each section.</li> <li>Give an overall summary assessment grade based on the evidence gathered for each section.</li> </ol>
1. Are the size, skills, competences and experiences of the governing body, such that it is able to carry out its primary accountabilities effectively and efficiently, and ensure the confidence of its stakeholders and constituents?	0 1 2 3 4	<p><b>Examples of evidence:</b> <i>GB Minutes and/or institutional documentation indicates</i></p> <ul style="list-style-type: none"> <li>The size of a governing body is between 14 – 20 members.</li> <li>The balance of skills, experience and competences among governors, and serving on the governing body sub-committees, <b>match</b> the written job descriptions and person specifications for GB members.</li> </ul>
2. Are the recruitment processes and procedures for governing body members rigorous and transparent? Does the GB have actively involved independent members and is the institution free from direct political interference to ensure academic freedom and focus on long-term educational objectives?	0 1 2 3 4	<p><b>Examples of evidence:</b> <i>GB Minutes and/or institutional documentation indicates</i></p> <ul style="list-style-type: none"> <li>An independent committee manages appointments (chaired by the Chair of the governing body).</li> <li>Independent members are external to, and independent of, the institution.</li> </ul>
3. Are the role and responsibilities of the Chair of the Governing Body, the Head of the Institution and the Member Secretary serving the governing body clearly stated?	0 1 2 3 4	<p><b>Examples of evidence:</b> <i>GB Minutes and/or institutional documentation indicates</i></p> <ul style="list-style-type: none"> <li>Roles and responsibilities for these posts are clearly stated in job descriptions, person specifications and institutional governance documentation.</li> </ul>
4. Does the governing body meet regularly? Is there clear evidence that members of the governing body attend regularly and participate actively?	0 1 2 3 4	<p><b>Examples of evidence:</b> <i>GB Minutes and/or institutional documentation indicates</i></p> <ul style="list-style-type: none"> <li>The governing body meets at least 4 or 5 times a year with each member attending 3-4 meetings (no delegates or substitutes).</li> <li>GB members allocated to serve on sub-committees attend most meetings and are actively involved in the work of these committees – reporting back regularly to the main GB.</li> </ul>
<b>AVERAGE GRADE</b>		
<b>TOTAL POSSIBLE POINTS</b>	<b>16</b>	

## D. EFFECTIVENESS AND PERFORMANCE REVIEW OF GOVERNING BODIES

**Governing bodies should regularly monitor their own effectiveness and the performance of their institution against its planned strategies and operational targets and their primary accountabilities.**

Every five years they should undertake a formal and rigorous evaluation of their own effectiveness, and that of the subcommittees. Effectiveness should be measured against the principles outlined under *The Primary Accountabilities of the Governing Body*.

In reviewing its performance, the governing body should reflect on the performance of the institution as a whole in meeting long-term strategic objectives and short-term key performance indicators.

**Where possible, the governing body should benchmark institutional performance against the performance of other institutions (at home and abroad).**

In considering their own effectiveness, governing bodies may wish to engage people who are independent to the institution to offer more objective perspectives.

The results of effectiveness reviews, as well as of the institution's annual performance against appropriate indicators of performance, should be published widely, including on the Internet and in the annual report.

### *Member Orientation and Development*

**It is the responsibility of the chair of the governing body, working with the administrator, to ensure that all members of the governing body, when taking up office, be fully briefed on the terms of their appointment and be made aware of the responsibilities placed on them as a member.** They should receive copies of background documents at the time of their appointment. These could include:

- A copy of the institution's governance guidelines, and this guide
- The institution's annual report, audited financial statements, and financial forecast
- The overall strategic plan, and strategy documents covering areas such as learning and teaching, research, widening participation and estates
- Notes describing the institution's organisational structure
- The rules and procedures of the governing body

**It is important for governing bodies to provide an orientation or briefing session for new members,** to explain their accountabilities, the function of the governing body, and the strategic objectives of the institution.

Following initial induction, **members should regularly receive institutional updates/newsletters and appropriate publicity material about the institution to help them stay up-to-date with developments.**

Joining a subcommittee is a good way for governing body members to contribute their expertise to the institution and to learn more about aspects of its operations.

### *Monitoring and Accountability*

The governing body must work together to ensure that decisions they make are implemented. Good practices can include reviewing the previous meeting's minutes at the beginning of each new meeting; or simply keeping track of decisions taken and progress on implementation. Either way, the governing body is responsible for ensuring that minutes and decisions are made publicly available (so long as the information is not sensitive or confidential).

<b>D. EFFECTIVENESS AND PERFORMANCE REVIEW</b>	<b>ASSESSMENT SCALE</b>  Circle the number you feel best reflects the quality and standard of governance practiced at the institution.  0=Non-existent, not aware 1= Extensive improvements needed (25% or less clear supporting evidence) 4=Annual monitoring shows clear evidence of good governance in all areas, as well as year-on-year development. (75% or more clear evidence)	<b>SUPPORTING EVIDENCE</b>  1. Give at least two of the <b>STRONGEST EXAMPLES</b> that support each grade / question under each section.  2. Give an overall summary assessment grade based on the evidence gathered for each section.
1. Does the governing body <b>keep their effectiveness under regular review</b> and in reviewing its performance, <b>reflect on the performance of the institution as a whole</b> in meeting its long-term strategic objectives and its short-term indicators of performance/success?	0 1 2 3 4	<b>Examples of evidence:</b> <i>GB Minutes and/or institutional documentation indicates</i> <ul style="list-style-type: none"> <li>Governing body effectiveness is measured against the institution's statement of primary accountabilities, the institution's strategic objectives and compliance with the Good Governance Guidelines.</li> <li>Structures and processes have been revised as part of the governing body's ongoing regular review processes.</li> </ul>
2. Does the governing body ensure that new members are properly <b>inducted</b> , and existing members receive <b>opportunities for further development</b> as deemed necessary?	0 1 2 3 4	<b>Examples of evidence:</b> <i>GB Minutes and/or institutional documentation indicates</i> <ul style="list-style-type: none"> <li>There is a record of induction and development activities undertaken for all GB members (including dates/type of activity/costs and funding source if appropriate.)</li> </ul>
<b>AVERAGE GRADE</b>		
<b>TOTAL POSSIBLE POINTS</b>	<b>8</b>	

## E. REGULATORY COMPLIANCE

Governing bodies ensure compliance with the statutes, ordinances and provisions regulating their institution; and, subject to these, take all final decisions on matters of fundamental concern to the institution.

Governing bodies should ensure that information is provided to regulatory agencies demonstrating that the institution **complies with their stated purpose.**

### *Requirements of the regulatory/funding/affiliating bodies*

Conditions of funding are set by appropriate regulatory bodies. These may differ across the country but will include requirements set out in a regulations/financial agreement/contract/ memorandum issued to each institution. The main provisions are likely to include:

- At least maintain the minimum standards required for official approval set by AICTE (regulatory agency)
- For affiliated institutions, adhere to the rules for affiliating issued by the affiliating university
- For Autonomous institutions, comply with the conditions set forward by the UGC and in the case of autonomous affiliated colleges, the university approving of the academic autonomy.
- The statutory basis on which public funding is provided to the institution and the purposes for which it is provided. Such statutory basis would come from the funding State Government (often the Directorate of Technical Education), Ministry of Human Resource Development in case of centrally funded institutions and/or the UGC.
- The need for the proper stewardship and effective use of public and other funding and internal and external accounting systems which enable the fulfillment of these requirements to be demonstrated
- The requirement for the institution to have in place sound systems of governance, management; including risk management and internal control
- The need to safeguard the financial viability of the institution.

<b>E. REGULATORY COMPLIANCE</b>	<b>ASSESSMENT SCALE</b>  Circle the number you feel best reflects the quality and standard of governance practiced at the institution.  0=Non-existent, not aware 1= Extensive improvements needed (25% or less clear supporting evidence) 4=Annual monitoring shows clear evidence of good governance in all areas, as well as year-on-year development. (75% or more clear evidence)	<b>SUPPORTING EVIDENCE</b>  1. Give at least two of the <b>STRONGEST EXAMPLES</b> that support each grade / question under each section.  2. Give an overall summary assessment grade based on the evidence gathered for each section.
<p>1. Does the governing body ensure <b>regulatory compliance*</b> and, subject to this, take all final decisions on matters of fundamental concern to the institution.</p> <p>2. Does the regulatory compliance include <b>demonstrating compliance with the 'not-for-profit' purpose</b> of education institutions?</p> <p>3. Has there been accreditation by a national body? If so, give details: name, status etc..</p>	<p>0 1 2 3 4</p>	<p><b>Examples of evidence:</b> <i>GB Minutes and/or institutional documentation indicates</i> (List regulations with which compliance is expected):</p> <p>* Compliance with the statutes, ordinances and provisions regulating their institution, including compliance with the regulations by Statutory bodies, such as the AICTE and UGC, as well as regulations laid out by the State government and affiliating university (if any);</p> <ul style="list-style-type: none"> <li>• Current AICTE approval for all the UG and PG programs being conducted (<i>institutions should not be conducting any unapproved programs</i>)</li> <li>• Current affiliation / academic autonomy / degree granting authority</li> <li>• Sending in the mandatory disclosure to AICTE</li> <li>• Ensuring the fee structure is within the permissible limits set by the Fee Fixation Committee of the State/UT</li> <li>• Respecting the admission rules for that state</li> <li>• Progress in compliance with any strictures passed by the AICTE</li> </ul>
<b>AVERAGE GRADE</b>		
<b>TOTAL POSSIBLE POINTS</b>	4	

## **ANNEX 1**

### **Template for the Role Description of Chairs of Governing Bodies**

*NB. This template for a role description for the Chair of a Governing Body of a Higher Education Institution is not intended to be prescriptive, not should it be taken in its entirety as a statement of best practice, although it aims to incorporate current understanding of best practice.*

*The document is best approached as a checklist of points which a higher education institution would wish to consider while developing a role description for its Chair, especially in relation to the appointment of a new Chair.*

#### **1. Leadership**

- a. The Chair is responsible for the leadership of the Governing Body. As Chair of its meetings, he/she is responsible for ensuring that the necessary business of the Governing Body is carried on efficiently, effectively, and in a manner appropriate for the proper conduct of public business.
- b. The Chair should ensure, *inter alia* through a good working relationship with the Chairs of the Committees of the Governing Body, that Committee business is carried on in a proper manner, efficiently and effectively, and that regular reports are presented to the Governing Body to their satisfaction.
- c. The Chair should ensure that the Governing Body acts in accordance with the instruments of governance of the higher education institution and with the institution's internal rules and regulations, and should seek advice from the Administrator to the Governing Body in any case of uncertainty regarding such rules and regulations.
- d. The Chair should ensure that the Governing Body exercises collective responsibility, that is to say, that decisions are taken corporately by all members acting as a body. The Chair will encourage all members to work together effectively, contributing their skills and expertise as appropriate, and will seek to build consensus among them.
- e. The Chair should ensure that the Governing Body approves and operates a procedure for the regular review of the performance of individual members of the Governing Body, and should participate as reviewer in that process. The Chair should encourage members to participate in appropriate training events.
- f. The Chair will be formally and informally involved in the process for the recruitment of new members of the Governing Body, and should encourage all members to participate in induction events organised by the University.
- g. The Chair will be responsible for the appraisal/review of the performance of the Head of the Institution, and will make recommendations to the Remuneration Committee accordingly.
- h. The Chair will be responsible for the appraisal/review of the performance of the Administrator to the Governing Body, taking care to ensure that any other duties the Administrator to the Governing Body may perform for the institution are excluded from consideration, and will make recommendations accordingly.

#### **2. Standards**

- a. The Chair shall ensure that any conflict of interest is identified, exposed, and managed appropriately, in order that the integrity of Governing Body business shall be, and shall be seen to be, maintained.
- b. The Chair shall ensure that the Administrator to the Governing Body maintains an up-to-date Register of the Interests of members of the Governing Body, and shall make a full and timely personal disclosure.
- c. The Chair is responsible for ensuring that the Governing Body conducts itself in accordance with accepted standards of behaviour in public life, embracing selflessness, integrity, objectivity, accountability, openness, honesty and leadership.
- d. The Chair shall be responsible for ensuring that the Governing Body exercises efficient and effective use of the resources of the University for the furtherance of its purposes, maintains its long-term financial viability, and safeguards its assets, and that proper mechanisms exist to ensure financial control and for the prevention of fraud.

#### **3. The Functioning of the Higher Education Institution**

- a. The Chair is responsible for ensuring that the Governing Body exercises control over the strategic direction of the institution, through an effective planning process, and that the performance of the University is adequately assessed against the objectives, which the Governing Body has approved.
- b. The Chair should at all times act in accordance with established protocols for the use of delegated authority or Chair's Action (ensuring that such protocols are drawn up if none exist). All instances of the use of delegated authority or Chair's Action should be reported to the next meeting of the Governing Body.
- c. The Chair should endeavour to establish a constructive and supportive but challenging working relationship with the Head of the Institution, recognising the proper separation between governance and executive management, and avoiding involvement in the day-to-day executive management of the institution.
- d. All Committees of which the Chair is ex-officio a member should be listed, together with the number of meetings a year. All other events in the institution's corporate life, such as Graduation ceremonies, which the Chair is expected to attend, should also be listed.
- e. Any arrangement for the Chair to act as formal signatory on behalf of the institution, e.g., in connection with the use of the Seal or the approval of the Financial Statements should be stipulated.

#### **4. The External Role**

- a. The Chair will represent the Governing Body and the institution externally. (List any Committees or bodies, which the Chair may be asked to be a member of or attend in his/her ambassadorial role.)
- b. The Chair will be asked to play a major role in liaising between key stakeholders and the institution, including in fund-raising. This role in particular should be exercised in a carefully co-ordinated fashion with other senior officers and staff of the institution.

#### **5. Personal**

- a. The Chair will have a strong personal commitment to Higher Education and the values, aims and objectives of the institution.
- b. The Chair will, at all times, act fairly and impartially in the interests of the institution as a whole, using independent judgement and maintaining confidentiality as appropriate.
- c. The Chair is expected to attend all meetings of which he/she is Chair or a member, or give timely apologies if absence is unavoidable.
- d. The Chair will make him/herself available to attend induction/training events organised by the institution or other appropriate bodies.
- e. The Chair may wish to receive feedback on his/her performance as Chair via the review procedure for ordinary members of the Governing Body.
- f. The likely overall time commitment required of the Chair for the effective conduct of the duties of the post is XXX (for local determination, and may be expressed as days per week or month rather than an absolute total. Comment on the distribution of the commitment through the year may be helpful, as might a proviso about contact unexpectedly or at short notice.)
- g. The office of Chair is not remunerated, but the Chair is encouraged to reclaim all travelling and similar expenses incurred in the course of institutional business, via the Administrator to the Governing Body. Directors and Officers Liability Insurance is in place. (Here stipulate any other support for the Chair, which the University offers - use of an office in the institution, clerical support, provision of a laptop computer, etc.)
- h. The formal start date and duration of appointment, together with any other relevant considerations (e.g. is there a formal annual election process?) should be set out either in the role description or in an appointment letter. It may be advisable to refer to any conditions under which the Governing Body may remove the Chair from office.

## ANNEX 2

### Template for Reviewing Governors/Governing Bodies

#### Note by the Chair

The purpose of this review is to allow you to assess the contribution you have made to the work of the governing body in the last year, and make suggestions as to how you consider the work of the Board may be made more effective in the year ahead. What you say will be **in confidence** to me as Chairman and to others responsible for the operation of the annual review process. No further attributed use of the form will be made without your agreement.

Chair's Signature: \_\_\_\_\_

1. In what respect do you consider that the Board of Governors and/or you might have functioned or contributed more effectively in the last 12 months? How does this compare to the guidance provided in the Good Practice Guide for Governing Bodies?
2. Have there been any occasions when exceptions to the institution's governance guidelines were made – if so, how many, and what impact this have on the work of the governing body and the institution?
3. Have you any suggestions as to how the Board of Governors and/or you might contribute differently to the work of the Board in the next 12 months?
4. Have you any suggestions on the way we could improve the corporate governance of the institution?

5. I would particularly appreciate any suggestions you might have on ways in which I, and my successors, might improve the contribution of the Chair.

6. Have you any other comments you would wish to make?

**Governor's Signature:** \_\_\_\_\_

**Chair's Remarks**

*This section would normally include a brief summary of any discussion held with each governor about the above comments. It is expected that such discussions will be held with all Co-opted governors and those who Chair Committees.*

**Signed (Chair):** \_\_\_\_\_

**Date:** \_\_\_\_\_

## ANNEX 3 Useful Questions for Governors/Governing Bodies

*NB: These are a set of generic self-assessment questions for governors/governing bodies to consider in carrying out their responsibilities and primary accountabilities. In assessing their institution's performance in these areas, governors could consider a number of questions including the following:*

### Institutional Sustainability

1. Does our strategic plan map out a clear development path for the institution?
2. Do we have confidence in our ability as an institution to focus on the essential challenges and to adapt to the changing environment?
3. Do external rankings/league tables and our own benchmarking show that we are broadly keeping pace with the institutions we would regard as our peers or competitors?
4. Are we attracting and retaining the calibre of staff needed to deliver our vision for the institution?
5. Do skills shortages or other HR issues threaten our performance?
6. Do we have the confidence of our students, faculty, the communities we serve and our main funding bodies and partners?
7. Are there threats to our viability (e.g. from rising staff costs, buildings or utilities inflation, pensions liabilities, competitive pressures), and do we have convincing strategies for managing these?

### The Student Experience

1. Do we have a clear view of what students get out of their experience at the institution?
2. Is our teaching and learning strategy understood by the governing body?
3. Does the Senate/Academic Board ensure that the academic programme and assessment structure are fit for purpose?
4. Are we performing as well as we should in the main academic and student-related activities which are important to our mission?
5. Have we acted on all the recommendations made by external agencies, if any, in regard to quality in their latest reports?
6. What are our goals in terms of quality enhancement, student and portfolio development? How will we deliver these?

### Research (If appropriate to the institutional mission)

1. Do we have a clear view of why the institution is doing research and what type and volume of research is appropriate to the mission and position of the institution?
2. How can we assess the success of the institution's research?
3. What are we doing to improve research outputs in terms of quality and cost recovery?
4. What is the relationship between research and teaching?
5. What is the relationship between research and knowledge transfer and how well are we exploiting this?
6. Do we understand the financial implications of our research activity (and do the senior management)?

### Knowledge Transfer & Relationships

1. What is our mission in this area?
2. How systematically and successfully are we identifying and exploiting opportunities to use our academic work to develop additional income and services?
3. How strong is our reputation and contribution in our local and regional communities?
4. Which are our ten most important relationships in our region and what are we doing to develop and maintain them?
5. How many local businesses and organisations have significant contacts within the university?
6. What contribution do our Alumni and Fund-raising activities make to the institution:
  - a. Financially
  - b. In terms of profile and reputation?

### Financial Health

1. How strong is our institution financially and what are we doing to maintain and enhance this?
2. Are we satisfied with the financial management of the institution and the quality and timeliness of information and advice presented to governors?

3. What level of surplus do we need to generate on a consistent basis to provide cash for investment and financial headroom to cope with contingencies?
4. Do we have significant areas of loss-making activity in our portfolio?
5. Do we have a financial strategy and policies for the following, which are broadly in line with good practice as recommended by the Good Practice Guide and is integrated with other strategies of the institution?  
*Are we satisfied with the rationale for, and contribution made by our policies on:*
  - *Borrowing*
  - *Fund-raising*
  - *Efficiency and utilisation of assets*
  - *Collaboration?*
6. How do we compare with the other institutions in our peer group in terms of high-level ratios such as:
  - *Income per academic*
  - *Surplus/deficit*

#### **Estates & infrastructure**

1. Is our infrastructure fit for purpose?
2. Do we have the facilities needed to meet student expectations, to attract high quality staff, and to deliver our academic objectives?
3. Is the total infrastructure bill, including utilities costs and efficiency, being managed effectively?
4. Are we managing technology, information systems and innovation in our operations effectively, so that we remain at "industry standard" in these areas?
5. Are we satisfied with the management of capital projects and the effectiveness of planned maintenance programmes?
6. Do we have a ten-year capital investment strategy?

#### **Staff and Human Resource Development**

1. How satisfied are we with the institution's overall management of staff and with the quality of HR strategy and advice to governors?
2. Are we satisfied with the quality of appointments made to senior positions and the way these posts are managed and appraised?
3. Do we have a clear framework of succession planning?
4. Are our policies for promoting equality and diversity, including affirmative action, in our staff effective?
5. Is staff development given appropriate priority, investment and leadership in the institution?
6. Do we have an appropriate framework for performance management for all types of staff bearing in mind the nature of academic work?

#### **Governance, Leadership & Management**

1. How satisfied are we with the working of the governing body and its committees?
2. Are the composition of the governing body and the processes for refreshing its membership and maximising the contribution of governors effective?
3. Are communications between governors and the institution effective?
4. Do governors understand the management structure and systems in the university?
5. Are legislative compliance and related issues including risk management, health and safety, diversity and equality, industrial tribunals, student complaints, external audits reported to the governors in an appropriate manner?
6. Does the institution have a coherent and good quality set of strategies in the key management areas (academic, finance, estates, HR, Information Systems)?

**ANNEX 4**  
**Final Scorecard**

The scorecard should be used as a diagnostic tool, and not as a rating exercise. It is meant to help institutions identify the areas in which they are doing well, and areas that require more attention and improvement. If the score is below 50% in any given area, it may warrant investigating that aspect of good governance in more detail. Using the assessment scale in each corresponding section can help identify weak areas.

For ideas on how to make concrete improvements, see Appendix VII of the National Report on TEQIP II: Good Governance Initiatives and Practices by Prof. Sonde and Mr Aggrawal, available on the NPIU website.

<b>TOTAL SCORES FROM PREVIOUS SECTIONS</b>	
<b>A. PRIMARY ACCOUNTABILITIES</b>	/ 16
<b>TOTAL FROM P. 12</b>	
<b>B. OPENNESS AND TRANSPARENCY IN THE OPERATION OF GOVERNING BODIES</b>	
<b>TOTAL FROM P. 14</b>	/ 12
<b>C. KEY ATTRIBUTES OF GOVERNING BODY</b>	
<b>TOTAL FROM P. 22</b>	/ 16
<b>D. EFFECTIVENESS AND PERFORMANCE REVIEW</b>	
<b>TOTAL FROM P. 24</b>	/ 8
<b>E. REGULATORY COMPLIANCE</b>	
<b>TOTAL FROM P. 26</b>	/ 4