

GUIDELINES FOR COURT MEMBERS

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INTRODUCTION

These Guidelines have been produced to provide you with much of the key information that you will need to understand regarding the Court and your role as a member.

Section 1 provides some introductory information about the University and higher education in general.

Section 2 explains the role, membership and operation of the Court and your responsibilities as a Court member and a charity trustee. It also sets out some of the basic principles of corporate governance and how they are applied at the University.

Section 3 describes and explains the financial and audit requirements of the University, with particular reference to the need to be accountable for the public money received from the Scottish Funding Council (SFC).

These Guidelines are merely a starting point for your induction as a Court member. They will be supplemented by further induction and guidance from the University Secretary who will be pleased to provide any further information that you may require at any stage.

The University is delighted to have the benefit of your experience to support and guide its strategic development.

1 THE UNIVERSITY OF ABERDEEN

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1.1 THE UNIVERSITY OF ABERDEEN: HISTORY AND CONSTITUTIONAL CONTEXT

The University of Aberdeen traces its origins to the foundation of King's College in Old Aberdeen on 10 February 1495. King's College came into being by decree of Pope Alexander VI in Rome, upon the petition of William Elphinstone, Bishop of Aberdeen, and with the support of the King of Scotland, James IV.

King's College, or the College of St Mary in the Nativity as it was first known, was the third University to be established in Scotland, following St Andrews in 1411 and Glasgow in 1451. Together with the University of Edinburgh, these first Scottish Universities are generally referred to as 'the four ancients'. They have in common a long history of service to education in Scotland: they trod parallel paths until the period of Victorian reforms, when new legislation confirmed their family identity with similar constitutions, regulations and procedures, and which the University Court itself is part of. The legislation passed at that time remains the constitutional basis for Aberdeen and the other 'Scottish Ancients'.

Marischal College (Founded 1593)

King's indebtedness to the Church and its loyalty to the Crown made it resistant to the realities of the post-Reformation era. A 'post mediaeval' vision of society was taking hold and, at Glasgow, Andrew Melville had achieved considerable progress in establishing a 'new foundation' for its University (1573). At Aberdeen, George Keith – an ardent reformer – decided to enshrine Melville's concept of education by founding a new University, Marischal College. The College was to be a Liberal Arts College with the main emphasis upon humanistic studies.

The University of Aberdeen: the Union of King's and Marischal Colleges

For 267 years, Aberdeen boasted two separate Universities, each with its own statutory rights and degree-granting privileges. The extent of the rivalry between the two colleges has probably been exaggerated, but it is certain that competition for students and an overlap in some areas of the arts curriculum created difficulties. A series of commissions and visitations successively noted the disadvantages of co-existence, but union was not achieved except by the imposition of the Universities (Scotland) Act of 1858.

The 1858 Act represents a milestone in the governance of the four ancient Scottish Universities. To begin with it united and incorporated King's and Marischal into one University and College, in all time coming under the style and title of the 'University of Aberdeen'. Furthermore, it created the University Court and other such instruments "for the better government and discipline of the Universities of Scotland".

As first constituted, the University Court was a body of review, and a court of appeal. It had special powers to scrutinise the financial and administrative decisions made by Senate and the Principal, and was responsible for the quality of their work. More pro-actively, the Court was invested with the power "to effect improvements in the internal arrangements of the University".

Following a further period of review, the Universities (Scotland) Act, 1889, confirmed the structure of the Court and invested it with major new powers, including the sole responsibility to "administer and manage the whole revenue and property of the University". The 1889 Act remains in force, with relatively minor modification only.

The Universities (Scotland) Acts 1858-1966, and ordinances and resolutions made thereunder, regulate the present constitution and governance of the four ancient Scottish Universities – supplemented by the Higher Education Governance (Scotland) Act 2016. The University of Aberdeen has no charter in the sense of an instrument from the Privy Council laying down its constitution. Its governance and structure depend on these Acts of Parliament, supplemented by ordinances approved by the Privy Council and, since 1966, by resolutions of the University Court.

1.2 PRINCIPAL OFFICERS OF THE UNIVERSITY

Pro-Chancellor	Very Rev. Professor Iain Torrance KCVO TD DD FRSE
Chancellor	Her Royal Highness Camilla, Duchess of Rothesay
Rector	Vacancy wef 1 April 2021
Senior Governor	Professor Nuala Booth (Interim)
Principal & Vice-Chancellor	Professor George Boyne
Senior Vice-Principal	Professor Karl Leydecker
Secretary and Chief Operating Officer	Ms Tracey Slaven
Vice-Principal Education	Professor Ruth Taylor
Vice Principal Research	Professor Marion Campbell
Vice-Principal International Partnerships	Professor Richard Wells
Vice-Principal Student Recruitment	Professor Alan Speight
Director of Advancement	Mr Rob Donelson
Director of External Relations and Marketing	Mrs Jenny Fernandes
Director of Finance and Procurement	Mr David Beattie
Director of People	Mrs Debbie Dyker

Further details regarding the relationship of these officers with the Court is provided in section 2 of these guidelines, however, the following brief introductions are provided below with further biographies available here <https://www.abdn.ac.uk/about/management/index.php> and [Strategy and Governance | About | The University of Aberdeen \(abdn.ac.uk\)](#) The University's senior management structure is enclosed at Appendix 1 and a listing of the Directors of Professional Services is included later in this section.

Chancellor

The Chancellor is the titular head of the University, and has the function of conferring degrees on persons deemed qualified by the Senate. The Chancellor, who is President of the General Council, is elected by its members and holds office for life. The Chancellor is supported in office by the Pro-Chancellor.

Senior Governor

The Senior Governor is responsible for the leadership of the Court and plays a key role in securing good working relationships with the Principal/and the Senior Management Team. In common with the other "Scottish Ancients", the right to preside at meetings of the Court is preferred to the Rector by the Universities (Scotland) Act.

As recommended by the Scottish Code of Good HE Governance, the Court has adopted a protocol (attached as part of Appendix A) setting out the respective roles and responsibilities of the Rector and the Senior Governor and this is formalised in the Court's Standing Orders.

As required by the Higher Education Governance (Scotland) Act 2016, the Senior Governor is appointed through an election of the students, staff and members of Court of the University.

Note – Senior Independent Member: The Court has appointed, as required by the Scottish Code of Good HE Governance, a Senior Independent Member whose primary role is to lead the appraisal of the Senior Governor and to be available to members of Court or Executive Officers as an intermediary if they have concerns which contact through the normal channels of the Senior Governor/Vice-Chair or Principal have failed to resolve or for which such contact is inappropriate

Principal and Vice-Chancellor

The Principal is both the resident head of the University and president of the Senate.

The Vice-Chancellor, who is appointed by the Chancellor, discharges the function of conferring degrees when the Chancellor is unavailable. The office of Vice-Chancellor has usually been, and currently is, held by the Principal.

Rector

The Rector is elected by the matriculated students. The Rector has the right to chair meetings of the University Court and to exercise a casting vote.

Vice-Principals

A Senior Vice-Principal heads the University's work on strategic planning, and other Vice-Principals have specific University-wide portfolios for specific areas such as Education, Research, Student Recruitment and International Partnerships.

University Secretary and Chief Operating Officer

The Secretary is the principal officer of the Court and is responsible for ensuring that it acts within its powers and follows proper procedures. He or she is head of the University's administration and works closely with the Principal and other senior members of academic and administrative staff to achieve the efficient and effective management of the institution.

1.3 STATISTICAL INFORMATION

	2019	2018	2017	2016
	£000	£000	£000	£000
Income				
Tuition fees and educational contracts	62,613	55,842	53,210	51,023
Funding body grants	77,618	74,752	74,300	77,566
Research grants & contracts	54,210	56,079	60,974	63,999
Other income	31,482	31,286	32,854	35,571
Investment income	1,975	1,251	929	926
Endowment and investment income	596	261	195	877
	228,494	219,471	222,462	229,962
Expenditure				
Staff costs – excluding movements in pension provisions	136,565	136,124	133,610	135,244
Movement in pension provisions	42,561	-111	910	-1,695
Total staff costs	179,126	136,013	134,520	133,549
Restructuring costs	0	0	0	3,783
Operating costs	70,914	68,646	72,209	73,716
Depreciation	18,837	18,635	18,566	19,099
Finance costs	3,774	3,655	3,955	4,386
	272,651	226,949	229,250	234,533
(Deficit) before other gains and losses	-44,157	-7,478	-6,788	-4,571
Other gains/(losses)	-501	3,953	-517	5,025
Tax	0	0	-249	-495
Actuarial gain in respect of pension schemes	-9,407	13,255	18,422	-7,408
Comprehensive income for the year	-54,065	9,730	10,868	-7,449

1.4 ACADEMIC STRUCTURE

The Senate: Role and Responsibilities

The Senate is responsible for the overall planning, co-ordination, development and supervision of the academic work of the institution. It is on the authority of the Senate that all degrees are conferred. The Senate is convened by the Principal.

The Senate: Composition

The Senate consists of (a) the Principal, Senior Vice-Principal, Vice-Principals, Heads of School, Deans, five representatives of the Quality Assurance Committee and the University Librarian (b) 79 elected members drawn from teaching and research (including honorary and part-time) staff (i.e. approximately twice the number of ex officio members) elected approximately pro rata by, and on the basis of, the total electorate within each School to serve for a four year period, with half retiring every second year and with retiring members eligible for re-election for one further four year period, (d) student members: the Student President, Education Officer, the thirteen School Conveners and three postgraduate representatives. In addition, the Welfare Officer is in attendance.

The Schools

The University's academic activities are structured into twelve Schools as follows. The Schools operate within a devolved budgetary and planning framework and Heads of School have significant autonomy to deliver their respective plans.

- Business School
- School of Biological Sciences
- School of Medicine, Medical Sciences and Nutrition
- School of Psychology
- School of Engineering
- School of Geosciences
- School of Natural and Computing Sciences
- School of Divinity, History and Philosophy
- School of Education
- School of Language, Literature, Music and Visual Culture
- School of Law
- School of Social Science

1.5 THE UNIVERSITY'S PROFESSIONAL SERVICES

Responsibility for the non-academic operational aspects of the institution, rests with the University Secretary and Chief Operating Officer. The University's Professional Services are structured as follows:

Mrs Tracey Slaven, University Secretary and Chief Operating Officer

Biography to follow.

Mr Brian Henderson, Director, Digital & Information Services

Combining the Library & IT Services functions, Digital and Information Services delivers a comprehensive package of digital services to the staff and students of the University, as well as providing data centre services for Robert Gordon University and North East Scotland College through an award winning shared service. Digital & Information Services will play a key role in the transformation of the University as we move forward with an exciting package of digital initiatives over the coming years.

Mr Angus Donaldson, Director, Estates & Facilities

The University Estate plays an important role in achieving our institutional ambitions. The Estates & Facilities Directorate supports the ongoing maintenance and enhancement of our buildings, land and facilities to ensure they continue to cater for the diverse needs of our staff, students and local community – providing everything from teaching and research facilities to residential, sporting, exhibition and events venues. The Directorate was recently enhanced by the amalgamation of two key commercial services – catering and student residences.

Mr David Beattie, Director, Finance and Procurement

The Finance Directorate provides high quality services and advice to staff, students and external bodies across a range of financial services. It comprises four sections - Financial Accounting, Financial Planning and Budgeting, Finance Systems Administration and Procurement.

Mrs Debbie Dyker, Director, People

The Directorate of People includes Human Resources, Health Safety & Wellbeing, Student Experience, Student Support, Careers and the Chaplaincy. The Directorate of People plays a key role in supporting the University to deliver upon strategic priorities and institutional initiatives in line with the Strategic Plan.

Mrs Jenny Fernandes, Director of External Relations and Marketing

The Directorate of External Relations and Marketing includes:

- International Recruitment & Engagement
- Conversion & Engagement
- Marketing & Brand Development
- UK Recruitment & Admissions
- Communications
- Public Affairs & Stakeholder Engagement
- Data and Market Insights

Dr Hulda Sveinsdottir, Director, Planning

The Planning team has oversight of the Strategic Plan and is responsible for managing the University's strategic planning process, external and internal performance monitoring, the development of the Outcome Agreement with the Scottish Funding Council, the production and administration of management information, risk management, and the development and management of strategic institutional initiatives.

Dr Elizabeth Rattray, Director, Research & Innovation

The Research and Innovation section plays a key role in supporting the University to deliver upon strategic priorities for research and knowledge exchange in line with the Institutional Strategic Plan. The section provides support for research development, commercialisation, knowledge exchange, enterprise activities and provides administrative support for research policy and the newly formed Graduate School for post graduate research students. Research and Innovation is the first point of contact for business - facilitating access to the University's researchers, services and technologies and offering a wide range of commercial opportunities arising from the University's research activities.

Dr Gillian Mackintosh, Director, Academic Services and Online Education

The Directorate encompasses the Registry, the Centre for Academic Development and the Online Education team. The Directorate provides professional services support across all aspects of academic student administration from registration through to graduation as well as supporting teaching and learning policy development and quality assurance, and also provides academic development support to staff and students including pedagogic staff development, eLearning expertise and academic skills support.

Mr Rob Donelson, Executive, Director of Advancement

Rob Donelson brings over thirty years' professional experience leading award-winning advancement programs of non-profit organizations in higher education and healthcare. Prior to coming to University of Aberdeen, he served as Executive Director, Development & Alumni Relations at University College Cork in Ireland, and as Vice-President, Development & Alumni Relations at Wilfrid Laurier University in Waterloo, Canada, where he led a team that named its business school.

1.6 GRADUATE AND STUDENT BODIES

Graduate Bodies

The General Council

The General Council comprises four elements:

- (a) all graduates of the University;
- (b) the Chancellor of the University during her/his tenure of office;
- (c) all present and past professors and members of the University Court;
- (d) all readers and lecturers who have held office in the University for a period of a year, and all former such readers who have remained on the staff of the University until retirement.

The Council holds two statutory meetings annually. It may also hold special meetings in accordance with such procedure as the Council may by rules determine.

The General Council is empowered to take into consideration all questions affecting the well-being and prosperity of the University and to make representations from time to time on such questions to the University Court, who shall consider the same, and return to the Council their deliverance thereon. The Council elects the Chancellor.

The Business Committee manages the affairs of the General Council and consists of 21 elected members, 4 Graduate Members of the University Court, and 2 ex officio members. The Committee aims to maintain a dialogue with the University Court on all matters relating to the well-being of the University, and meets four or more times a year.

Student Bodies

The Aberdeen University Students' Association

In 2000, following an entirely student-led initiative endorsed by a referendum of all students, the Students' Representative Council, the Union and the Athletics Association, with the support of the University Court, merged to form a single Students' Association – The Aberdeen University Students' Association. The purpose of the merger was to share the distinctive strengths of the three former organisations to the greater benefit of the student body as a whole.

The President is the principal spokesperson of the student body and is responsible for the administration, running and strategic planning of the Students' Association. The President is a member of the University Court, the Senate and of a number of major University committees.

1.7 GENERAL HIGHER EDUCATION BODIES AND CHARITIES REGULATOR

Office of the Scottish Charity Regulator (OSCR)

The OSCR is the independent Regulator and registrar for Scotland's charities including universities and its role is ultimately to support public confidence in charities and their work. OSCRs a non-ministerial office and part of the Scottish Administration following commencement of the Charities and Trustee Investment (Scotland) Act 2005. It is independent of Scottish Government and report directly to the Scottish Parliament every year.

SFC: The Scottish Funding Council

The Scottish Funding Council (SFC) is a non-departmental public body responsible to the Scottish Government to provide financial support for teaching, research and associated activities in Scottish higher education institutions. The University is accountable to the Funding Council as a recipient through it of public funds.

The Council's main functions are: to distribute funds to support teaching and research in higher institutions; to secure that provision is made for assessing the quality of higher education supported by the Council; and to provide Scottish Ministers with information and advice relating to aspects of higher education in Scotland, including the financial needs of the sector.

Universities UK and Universities Scotland

Universities Scotland represents the Principals of the 19 higher education institutions in Scotland. Its role is to promote the contribution of universities to Scottish society and to campaign and lobby on key issues.

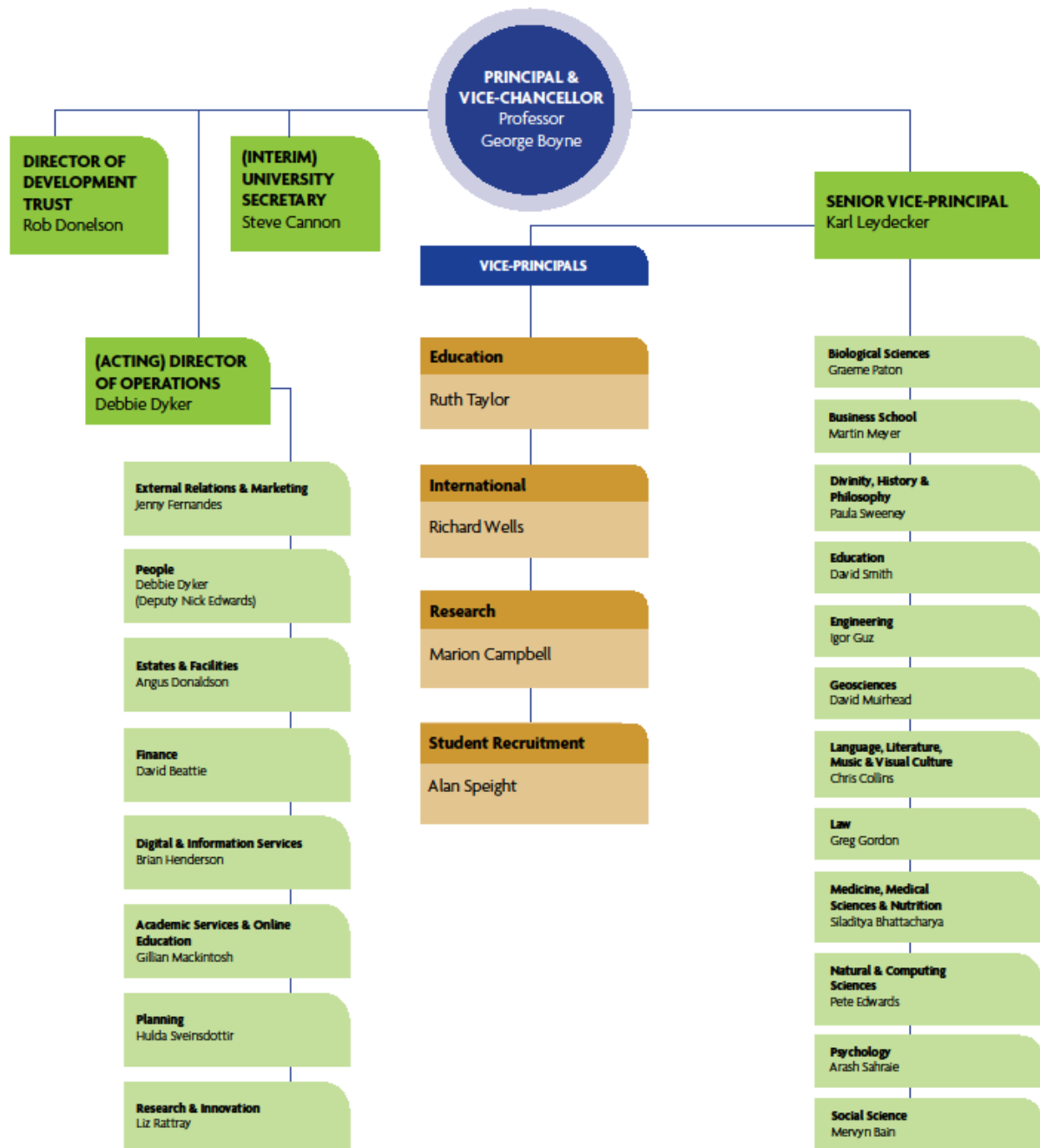
Universities UK is the UK level equivalent to Universities Scotland. Universities UK's mission is similar to that of Universities Scotland but at a UK level.

CUC: Committee of University Chairs and Committee of Scottish Chairs

The Committee of University Chairs (CUC) was formed by the merger of the Committee of the Chairmen of University Councils and the Standing Conference of the Chairmen of the Boards of the post-1992 universities. It provides a forum for discussion for university chairs to enable them, by sharing their knowledge, experiences and problems, to act more efficiently in helping their councils and boards to discharge their responsibilities, and to contribute their own individual knowledge, experience and perspective to the consideration of matters of common concern. It makes representations to the Government and other bodies on matters within the remit of governing bodies, and where appropriate operates in conjunction with Universities UK. In recent years the CUC has been active in addressing issues of governance and has provided advice to institutions on the responsibilities and effectiveness of governing bodies.

The University is normally represented on this body by the Senior Governor. There is also the Committee of Scottish Chairs which meets regularly and deals with issues of governance in consultation with Scottish institutions. It undertakes takes a key role in liaison with Scottish Government and Universities Scotland (The Principals) in representing the views of governing bodies on key sector issues.

Note: Correct as at December 2020. From January 2021, University Secretary and Chief Operating Officer will be Tracey Slaven.



2 THE UNIVERSITY COURT

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2.1 THE UNIVERSITY COURT: COMPOSITION OF THE COURT

The general composition of the Court is laid down by Act of Parliament, and may only be altered by means of an Ordinance granted by the Privy Council. It is set out in Ordinance 145 which was approved by Her Majesty in Council on 19 July 2017.

No member of the Court is present as a 'representative' of a particular sectional interest and mandates are not recognised. Each member, does of course, bring his or her own particular expertise and background to the work of the Court, and all members are equal and free to express an opinion in the best interest of the institution as a whole.

The composition of the Court is 25 members as follows:

- the Rector
- the Principal
- the Senior Governor
- two persons elected by the staff of the University (currently one academic staff member and one non-academic staff member)
- one person nominated by a trade union from among the academic staff
- one person nominated by a trade union from among the non-academic staff
- four assessors elected by the Senate
- two persons nominated by the Students' Association
- up to twelve independent members appointed by the Court who may not be members of staff or students but at least four of whom shall be members of the General Council.

2.2 MEMBERSHIP OF THE COURT

Rector

Vacancy wef 1 April 2021

Principal

Professor George Boyne

Senior Governor

Vacancy - *Currently being undertaken by Professor Nuala Booth on interim basis*

Academic Staff Member

Dr Martin Mills

Non-Academic Staff Member

Mr Nick Edwards

Academic Trade Union Nominated Member

Dr Helen Martin

Non-Academic Trade Union Nominated Member

Mr Owen Cox

Senate Assessors (4)

Professor Neil Vargesson

Professor Joachim Schaper

Mrs Lindsay Tibbetts

Dr Diane Skatun

Two Students Nominated by the Students' Association (2)

Ms Cecilia Wallback

Mx Louise Henrard

Independent Members (12)

Mr Keith Anderson

Ms Colette Backwell

Ms Eleanor Bentley

Professor Nuala Booth

Mr David MacFarlane

Mr Iain Mackay

Mr Gary McRae

Ms Lyndsay Menzies

Ms Anne Minto

Mr Iain Percival

Mrs Jennifer Shirreffs

Vacancy (1)

Please see Appendix C for biographies of members of Court

2.3 AUTHORITY AND PRIMARY RESPONSIBILITIES OF THE COURT

The constitutional basis, authority and responsibilities of the University Court are derived largely from the statutes contained in the Universities (Scotland) Acts from 1858 to 1966 and in the Ordinances and Resolutions made thereunder. Latterly this has been supplemented by the requirements of the Higher Education Governance Scotland (Act) 2016. The Higher Education Governance (Scotland) Act 2019 put in place measures to improve and modernise the governance of higher education institutions. The Act focussed heavily on reforming the size, composition and diversity of membership of the governing body and introducing an election process for the appointment of the role of Senior Governor.

The University is also a registered Scottish Charity and as such the Court as the governing body is the board of trustees. Therefore, all its members are charity trustees and subject to Scottish charities law, with accountability to the Office of the Scottish Charities Regulator (OSCR).

The University's charitable purpose as registered with OSCR is "The advancement of education", "The advancement of health", "The advancement of citizenship or community development", "The advancement of the arts, heritage, culture or science."

Legally, the University Court is a **body corporate**, with **perpetual succession** and a **common seal**. As a **body corporate**, the Court is recognised in law as owning a legal personality separate and distinct from the personality of its members, and hence is capable of owning property, entering into contracts, employing staff, and suing and being sued. **Perpetual succession** signifies the Court's power to appoint its own members (subject to statute) without further reference to any external authority. **The Common Seal** represents the Court's authority to secure or guarantee its undertakings. The University Seal, together with signatures of Court members continues to be used to endorse formal legal documents on behalf of the University.

Ordinances and Resolutions

An Ordinance is a further definition, clarification or stipulation of existing powers, as prescribed by Acts of Parliament. The process of passing an Ordinance is set out in the Universities (Scotland) Act 1966 and requires a detailed process of internal consultation before it is submitted for the consent of Privy Council. In practice, this means that the Court must consult with the General Council, Senate and the wider community. An Ordinance takes effect only from the date on which it is passed by Her Majesty in Council.

A Resolution, on the other hand, represents the elucidation of a power which it is within the Court's own competence to enact. The process by which a Resolution is promoted is set out in Part II, Section 6 of the Universities (Scotland) Act (1966). In practice, it requires the General Council and Senate to be consulted and for representations to be sought within the community. To satisfy the latter requirement, it is necessary for draft Resolutions to be on public display on campus or via the website for a stipulated period of one month. In theory, any member of the University, or indeed the public, is entitled to submit a representation on any Resolution in draft within the period of consultation.

Emergency powers: in the event of good cause, the period of consultation may be reduced and a Resolution approved by a majority of two-thirds of Court members. This is in accordance with Section 6(2) of Part II of the Universities (Scotland) Act (1966).

Authority and Primary Responsibilities of the Court

Under the statutes contained in the Universities (Scotland) Acts 1889-1966 the University Court is responsible for the administration and management of the University's affairs, including ensuring an effective system of internal control. In addition, Court has responsibilities within the terms and conditions of the Financial Memorandum agreed with the Scottish Funding Council (this is enclosed later in this document) and under charities law.

The powers and functions of the Court are drawn from these requirements of statute and are set out in its Statement of Primary Responsibilities as follows.

2.3.1 STATEMENT OF PRIMARY RESPONSIBILITIES

STRATEGIC DIRECTION

- To approve the mission and strategic vision of the University, including institutional and longer-term academic and business plans, and key performance indicators, and to ensure that they meet the interests of stakeholders, including students, staff, alumni, local and national communities and funding bodies.
- To safeguard the good name and values of the University.

SUPERVISORY OBLIGATIONS

- To delegate to the Principal, as chief executive, authority for the academic, corporate, financial, estate and human resource management of the University, and to establish and monitor such management functions as shall be undertaken by and under the authority of the Principal.
- To ensure the quality of educational provision through the review of decisions of the Senate made under its statutory powers to regulate and superintend the teaching and discipline of the University and to promote research.

CORPORATE RESPONSIBILITIES

- To be the University's legal authority and, as such, to ensure that systems are in place for meeting the University's legal obligations, including those arising from contracts and other legal commitments made in the University's name.
- To act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the University, which is not within the control of the University of Aberdeen Development Trust.
- To ensure that the University's constitution, as enacted in the Acts, Ordinances and Resolutions Affecting the University 1858-1990 and subsequent legislation, is followed and that appropriate advice is available to enable this to happen.
- To be the employing authority for all staff in the University.
- To ensure that the University behaves ethically, responsibly and with respect for the environment and for society at large.

CONTROLS, ACCOUNTABILITY AND EFFECTIVENESS

- To be the principal financial and business authority of the University, to ensure that proper books of account are kept, to approve the annual budget and financial statements, to ensure adherence to the funding requirements specified by the Scottish Funding Council, and to have overall responsibility for the University's assets, property and estate and their use.
- To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment and management, so as to maintain the solvency of the University and safeguard its assets.
- To ensure that processes are in place to monitor and evaluate the performance and effectiveness of the University against approved plans and key performance indicators, which should be benchmarked against other comparable institutions, wherever possible.

- To ensure that arrangements are in place to promote the proper management of the health, safety and security of students, staff and others affected by the University.
- To provide institutional leadership in equality and diversity and to ensure there are appropriate policies and procedures to support a culture in which all staff and students can thrive across the University and which meet relevant legislative and regulatory requirements.
- To make provision, in consultation with the Senate, for the general welfare of students.
- To ensure that procedures are in place for dealing with internal grievances, conflicts of interest and public interest disclosure.
- To establish processes to monitor and evaluate the performance and effectiveness of the University Court and its sub-committees and to ensure that business is conducted in as open a manner as possible, in accordance with best practice in higher education corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life.
- To ensure, through the appointment of co-opted lay persons, a balance of skills and experience amongst the membership of the Court to meet its primary responsibilities.

MONITORING OF SENIOR EXECUTIVES

- To appoint the Principal as chief executive, and to put in place suitable arrangements for monitoring his/her performance.
- To appoint the Secretary to the Court and to ensure that there is an appropriate separation in the lines of accountability between responsibilities to the Court and managerial responsibilities within the University.

2.4 THE ROLE AND RESPONSIBILITY OF COURT MEMBERS

Each governor is responsible, collectively with all members of Court, for the strategic leadership and governance of the University. That translates into more specific responsibilities of which the following are key:

- To play an appropriate part in furthering the values of higher education and the mission of the University of Aberdeen in particular;
- To ensure that the Court exercises efficient and effective use of the resources of the University, 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;
- To exercise oversight in respect of the academic, corporate, financial, estate and human resource functions delegated to the authority of the Principal as chief executive;
- To ensure that Court conducts itself in accordance with accepted standards of behaviour in public life, embracing duty, selflessness, integrity, objectivity, accountability and stewardship, openness, honesty, leadership and respect. Members must at all times regulate their personal conduct as members of the Court in accordance with these standards;
- To establish constructive and supportive but challenging working relationships with the University employees with whom they come into contact, whilst recognising the proper separation between governance and executive management;
- To act fairly and impartially in the interests of the University as a whole using independent judgement and maintaining confidentiality as appropriate.

Responsibilities under Charities Law

In addition, members of Court are also formally Trustees of the University as a charity. All charity trustees have legal duties and responsibilities under the Charities and Trustee Investment (Scotland) Act 2005 Act.

A duty is something that you must do, and all the duties must be met. These duties are separated out into **general duties**, that set out a broad framework that all charity trustees must work within, and **specific duties** detailed in the 2005 Act (see the infographic below). The OSCR note that you might delegate the practical details of the specific duties to your charity's staff, volunteers or professional advisers, but that the charity trustees are ultimately responsible for making sure the specific duties are met. The general and specific duties apply equally to **all** charity trustees and to **all** charities. All of the charity's trustees should work together to make sure that these duties are met. If you fail to comply with these duties then this is **misconduct** and OSCR have powers to take action against charity trustees, where appropriate. OSCR state that their response will be proportionate depending on the situation. Where a charity trustee has acted reasonably and honestly it is unlikely to be treated as misconduct.

As a charity trustee, the key duty is to look after the charity's assets and for making sure that the charity fulfils its charitable purpose(s) – the University's purposes based on OSCR registration categorisations are: the advancement of higher education, of health, of citizenship or community development, and the advancement of the arts, heritage, culture or science.

Under the Charities and Trustee Investment (Scotland) Act 2005 members have duties and responsibilities collectively and individually in law as a charity trustee as follows:

- (1) A charity trustee must, in exercising functions in that capacity, act in the interests of the charity and must, in particular—
 - (a) seek, in good faith, to ensure that the charity acts in a manner which is consistent with

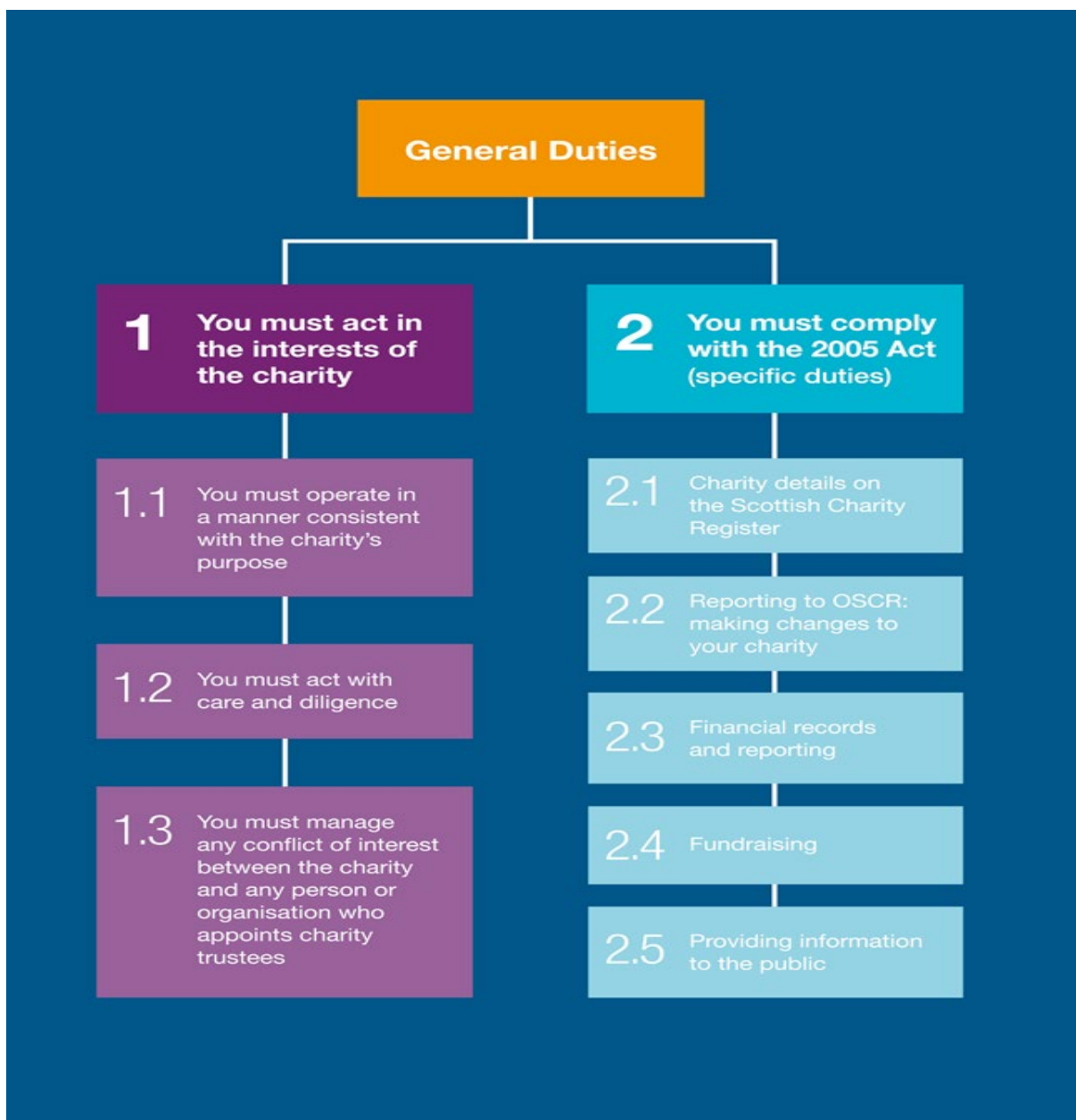
its purposes,

(b) act with the care and diligence that it is reasonable to expect of a person who is managing the affairs of another person, and

(c) in circumstances capable of giving rise to a conflict of interest between the charity and any person responsible for the appointment of the charity trustee—

(i) put the interests of the charity before those of the other person, or

(ii) where any other duty prevents the charity trustee from doing so, disclose the conflicting interest to the charity and refrain from participating in any deliberation or decision of the other charity trustees with respect to the matter in question.



Further Legal Duties of Members

The Court is the 'employer' and members should be aware of their obligations as employers of staff and in relation to the University's students. In more detail these obligations are:

(a) as employers:

"...for the employment of the University's staff and for the implementation of its employment policy which includes ensuring that the pay and conditions of employment are properly determined and implemented. In addition, in terms of the Health & Safety at Work Act 1974 and subsequent legislation, the [Court] carries ultimate responsibility for the health and safety of employees, students and other individuals whilst on the University's premises. Its duties include ensuring that the University has a written statement of policy on health and safety and arrangements for the implementation of that policy."

(b) in relation to students: The Education Act 1994 requires the Court "...to take such steps as are reasonably practicable to ensure that the students' union operates in a fair and democratic manner and is accountable for its finances. When the 1994 Act was introduced, of the several student bodies which then constituted the "union", only the Students' Representative Council and the University Union (now merged with the former Athletic Association in the Students' Association) came within the scope of the Act and consequently were obliged to fulfil the requirements. The 1994 Act "...also requires governing bodies to prepare a Code of Practice setting out how the provisions of the Act are to be implemented and for bringing the Act to the attention of students. Such a Code of Practice is in place.

2.5 CORPORATE GOVERNANCE

Governing bodies are entrusted with public funds and have responsibilities in law as charities. They, therefore, have a particular duty to observe the highest standards of corporate governance at all times and to ensure that they are discharging their duties with due regard for the proper conduct of public business. The University and the Court is also required by the Scottish Funding Council as a condition of funding to adhere to the principles of good governance articulated in the sector's Scottish Code of Good HE Governance. Any exceptions must be explained and reported in the statement of corporate governance within the annual report and accounts.

2.5.1 UNIVERSITY CORPORATE GOVERNANCE STATEMENT

The University of Aberdeen each year presents its statement on how it has applied the principles of Corporate Governance in practice within the financial statements. This includes a statement on how the University has applied the principles set out in the *Scottish Code of Good HE Governance*. These, and that statement, are subject to the approval of Court, usually at its meeting in November each year. As key conditions of funding from the Scottish Funding Council, members should be aware of the requirements of the Scottish Code of Good HE Governance <http://www.scottishuniversitygovernance.ac.uk/2017-code/> and the Financial Memorandum with the Scottish Funding Council: [http://www.sfc.ac.uk/web/FILES/Guidance Governance/Financial Memorandum with higher education institutions - 1 December 2014.pdf](http://www.sfc.ac.uk/web/FILES/Guidance%20Governance/Financial%20Memorandum%20with%20higher%20education%20institutions%20-%201%20December%202014.pdf)

2.5.2 PRINCIPLES OF CORPORATE GOVERNANCE

The Nine Principles of Public Life in Scotland

The Scottish Government's Model Code of Conduct for Members of Devolved Public Bodies indicates that the following nine general principles of conduct should be observed in public life:

Duty

You have a duty to uphold the law and act in accordance with the law and the public trust placed in you. You have a duty to act in the interests of the public body of which you are a member and in accordance with the core functions and duties of that body.

Selflessness

You have a duty to take decisions solely in terms of public interest. You must not act in order to gain financial or other material benefit for yourself, family or friends.

Integrity

You must not place yourself under any financial, or other, obligation to any individual or organisation that might reasonably be thought to influence you in the performance of your duties.

Objectivity

You must make decisions solely on merit and in a way that is consistent with the functions of the public body when carrying out public business including making appointments, awarding contracts or recommending individuals for rewards and benefits.

Accountability and Stewardship

You are accountable for your decisions and actions to the public. You have a duty to consider issues on their merits, taking account of the views of others and must ensure that the public body uses its resources prudently and in accordance with the law.

Openness

You have a duty to be as open as possible about your decisions and actions, giving reasons for your decisions and restricting information only when the wider public interest clearly demands.

Honesty

You have a duty to act honestly. You must declare any private interests relating to your public duties and take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership

You have a duty to promote and support these principles by leadership and example, and to maintain and strengthen the public's trust and confidence in the integrity of the public body and its members in conducting public business.

Respect

You must respect fellow members of your public body and employees of the body and the role they play, treating them with courtesy at all times. Similarly you must respect members of the public when performing duties as a member of your public body.

2.5.3 CODE OF CONDUCT FOR MEMBERS

This Code of Conduct applies equally to all members of Court and adherence with it is a condition of appointment to the Court.

The Court recognises that governing bodies are entrusted with public funds and, therefore, have a particular duty to observe the highest standards of corporate governance at all times and to ensure that they are discharging their duties with due regard for the proper conduct of public business. This is a collective responsibility but one which applies equally to individual members of the Court.

The Nine Principles of Public Life in Scotland

The Court wholly endorses the nine principles advocated by the Scottish Government's Model Code of Conduct for Members of Devolved Public Bodies and as recommended by the Scottish Code of Good HE Governance. These nine principles of Duty, Selflessness, Integrity, Objectivity, Accountability and Stewardship, Openness, Honesty, Leadership and Respect, form the basis for this Code of Conduct and are reproduced in full below.

In practical terms, these require that the Court and its members should observe the highest standards of integrity, objectivity and honesty in the transaction of all its business. Members of Court must act fairly and impartially in the interests of the University as a whole irrespective of which constituency they may have been appointed from. Governors must avoid any action which could bring the reputation of the University into disrepute.

Confidentiality

In accordance with Minute 123 of 13 December 2005, members are asked to sign a declaration of confidentiality, unless confidentiality has been waived.

Court papers (including draft minutes) are in general considered to be confidential until after the meeting has taken place although the agenda is made available to staff and students on the website in advance of the meeting. Following the meeting, Court papers except those which are deemed to be confidential are made available to staff and students through the website. Court minutes after they have been approved at the subsequent meeting are made publicly available on the website.

Register of Members' Interests

It is well understood that all members of governing bodies must act, and be seen to act, impartially and not be influenced in their role by business, social or other relationships. It is not, however, deemed sufficient to avoid impropriety there must be avoidance of any occasion for suspicion or of the appearance of improper conduct.

The Court, therefore, has a Register of Members' Interests which is available for public consultation on the University's website. Court Members will be invited to complete their entry in the Register on an annual basis, but all members are asked to give the Clerk written notification of any significant additions to or deletions from entries as soon as these are known.

Declaration of Gifts and Hospitality Offered to members of Court

Court members should also register with the Clerk at any time details of any gifts and hospitality (to the value of £50 or over) offered to them in relation to their role on Court (excluding gifts or hospitality offered by the University itself). The University's expenses and benefits policy at section 3 UK Bribery Act and section 115 -117 (Gifts) provides further general guidance on gifts and hospitality as does section 1.6.8 of the Financial Regulations. These are available at:

<https://www.abdn.ac.uk/staffnet/working-here/expenses-and-advances-582.php>

<https://www.abdn.ac.uk/staffnet/working-here/finance.php>

Removal of Members of Court

The Court agreed on 30 September 2015 that it will expect any member who is in gross or persistent breach of the Code of Conduct to resign. In this regard, the Court has put in place a procedure (see attached) which, if required, it may invoke to remove a member of Court who is either in breach of the Code or whose behaviour is deemed to be inimical to the reputation of the Court and the University. The procedure sets out a number of examples of conduct or behaviour which might be deemed to be grounds for removal. The procedure should, therefore, be considered to be integral to this Code of Conduct.

Acknowledgement of this Code

New members are asked in their letter of appointment to acknowledge that they are familiar with this Code of Conduct and that they understand their obligations under it. Individual members of Court are also asked each year – as part of the annual request to complete their entry in the Register of Members' Interests - to confirm their understanding of their responsibilities as members of the University Court and the declaration of confidentiality.

2.6 LIABILITY OF COURT MEMBERS

The University's Directors' and Officers' Liability Insurance is intended to protect any personal liability which attaches to members of the University Court and Court Membership. A full copy of the policy wording is available on request.

The current Scottish Code of Good HE Governance does not comment on the matter of liability of Court members, however, the following guidance which was previously offered in guidance, prepared by the then Chairmen of Scottish University Courts and Councils and the Chairmen of the Conference of Scottish Centrally-Funded Colleges in association with the Scottish Higher Education Funding Council and issued in October 1996.

Responsibilities of Governors

An institution is a separate legal entity distinct from the individual members of its governing body. The powers and responsibilities of governing bodies are exercised in a collective manner on behalf of the institution. The law relating to personal liability of members of governing bodies is complex and is beyond the scope of this Guide. In general, however, provided members of governing bodies act in good faith, diligently and honestly and do not cause the institution to exceed its powers, legal opinion suggests that members of governing bodies will have no personal liability for collective decisions of the institution."

2.7 THE FORMAT OF COURT MEETINGS

The Court generally has four meetings each year. Members are asked to declare interests in relation to Court business at each meeting, in addition to their declaration of interests in the Register of Members' Interests.

The Agenda:

The agendas for Court meetings are normally split between:
items for discussion/and or approval/information
items for formal approval or information not proposed for discussion.

Items for discussion - these items should normally begin with an appropriate written or oral presentation by management or Chairs of Court committees and follow with a discussion by all Court members. A decision may or may not be required. It will be for the Court to lend its mind to the issue and to determine its preferred outcome.

Items for formal approval/information - these items generally require either the Court's formal decision or noting, but may not require the Court's time in discussion.

Promoting Items for Discussion

The allocation of items to the two sections of the agenda represents the recommendation of the Secretary following consultation with the Senior Governor, Principal and senior officers. The final responsibility, however, remains with the Court. At each Court meeting members are invited to promote any item formally allocated "for formal approval" or "for information" to the "for discussion" section of the agenda.

The Minutes

Until approved, the draft minutes of Court are confidential to Court. Once approved, the Minutes are made available on the University's web site. The only exception to this practice are the few Minutes which refer to items of confidential business. When in draft form or approved, such items remain confidential.

Getting Items on the Agenda

The formal mechanism for requesting an item be included on the agenda is set out in the Court's Standing Orders – see appendix to this section. In practice, however, members are encouraged to contact the Secretary or Clerk should they wish an item included in the agenda.

2.8 COURT AND SENATE COMMITTEES

The Court delegates much of its detailed work to be addressed in the first instance by committees. All of these committees are formally constituted with terms of reference. Where these committees have delegated authority from the Court to take decisions on certain matters, those decisions are to be formally reported back to the Court. Some committees also report to both the Senate and the Court, and as such include representatives of both. The Diagram (following) outlines the committees of the Court and the Senate and the remit, composition and membership of the Court sub-committees - Policy and Resources Committee, Audit and Risk Committee, Governance & Nominations Committee and Remuneration Committee - are enclosed (**Appendix B**). Further details on the remit, membership and composition of the other committees are available on request from the Clerk.

The Court has also agreed a schedule of matters that will always be reserved for decision to it and articulate the distinction between its role and that of the Policy and Resources Committee.

Schedule of Delegation and Decision-Making between Court and Policy and Resources Committee

The high level articulation of Court's role and that of the Policy and Resources Committee agreed by Court is:

“the role of Court is to develop and agree strategy and the Policy and Resources Committee should monitor the delivery of that strategy.”

The Court's Statement of Primary Responsibilities reflects this and sets out in more detail its role and the matters that as the governing body it is ultimately responsible for. In discharging those responsibilities, the Court delegates some of its authority to committees as set out in their respective remits (although Court as the governing body will remain ultimately responsible for any decisions made by sub-committees on its behalf). In this regard, and as agreed by Court in June 2020, the following articulation specifies items of business which will always require approval or discussion by Court. Also set out is the remit of the Policy and Resources Committee which should be considered to be the matters that the Court has delegated authority to it for.

MATTERS RESERVED TO COURT FOR APPROVAL/DISCUSSION

- to approve the University's Strategic plan and receive reports on Key Performance Indicators;
- to approve the annual report and annual financial accounts;
- to receive reports from the Audit and Risk Committee and to approve the appointment of internal and external auditors on the Committee's recommendation;
- to approve the University's budget;
- to approve the University's borrowing commitments including re-financing or material variation to existing arrangements; any new borrowing arrangements, and any transaction involving any "sale or lease-back" of material assets;
- to approve the University's Capital Plan;
- to approve proposed expenditure outwith the agreed revenue and capital budget with a value over £5 million and to approve all material asset sales with a value in excess of £1 million;
- to approve any change to prior Court-approved use of the funds raised by the Private Placement/Bond issue;
- to approve annually the University's Risk Appetite and consider reports on Risk Management;
- to approve the establishment of new campuses whether overseas or in the UK;
- to approve major academic re-organisations of the curriculum on the recommendation of the Senate;
- to approve the annual Institution-led Review of Academic Quality;
- to approve significant academic restructuring of the University in consultation with the Senate, in particular changes to the Schools as the formal academic governance and management structure of the University;
- to approve the Outcome Agreement with the Scottish Funding Council;
- to approve the appointment or dismissal of the Principal;
- to approve the appointment or dismissal of the Secretary to the Court;

- to approve, on the recommendation of the Governance and Nominations Committee, the appointment of independent members of Court, changes to the remits and compositions of sub-committees and appointment of the membership of sub-committees;
- to approve the removal of a member of Court from office in accordance with Resolution No 288 Procedure for Removal of Members of Court;
- to approve the Senior Staff Pay policy on the recommendation of the Remuneration Committee for implementation by the Committee at an individual level;
- to approve Ordinances and Resolutions following consultation with Senate and the General Council

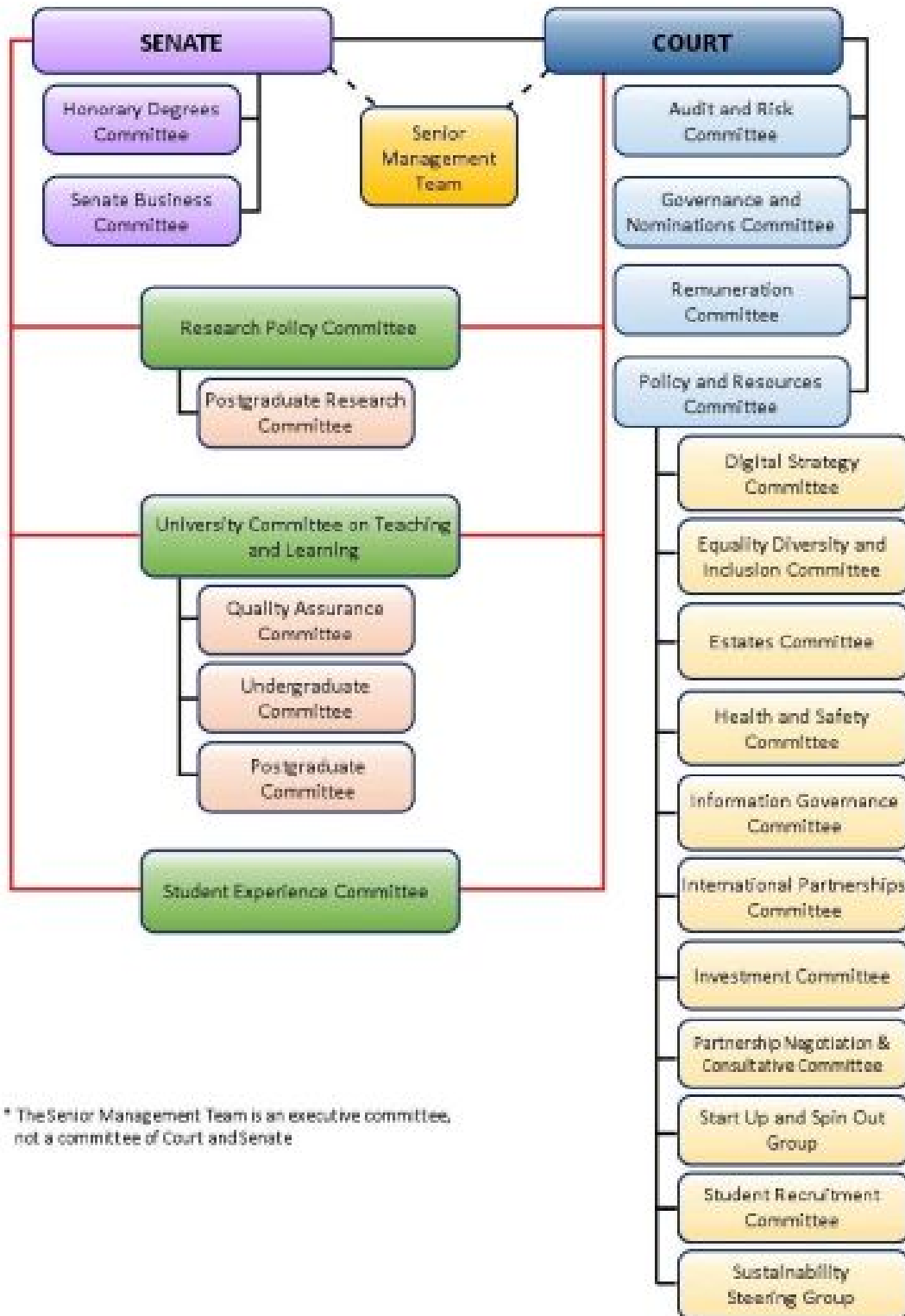
NB: This does not preclude Court from discussing or seeking reports on any matter it deems relevant that are not specified here or which are delegated to committees.

Committees of Court

Policy and Resources Committee
Audit and Risk Committee
Governance and Nominations Committee
Remuneration Committee

Joint Committees of Court and Senate

Research Policy Committee
Student Experience Committee
University Committee on Teaching & Learning



* The Senior Management Team is an executive committee, not a committee of Court and Senate

APPENDIX A: STANDING ORDERS OF THE UNIVERSITY COURT

- I The Court shall meet no fewer than four times each academic year, the schedule of meetings to be determined by the Court, annually, in advance.

In cases of urgency, additional meetings may be called at the instance of the Rector or the Principal, or the Senior Governor, whom failing the longest serving member of Court available.
- II Any member of the Court may have an item included in a programme of business provided this is notified to the Secretary to the Court at least 10 working days prior to the date of the meeting, which shall be drawn up by the Secretary and shall be circulated among the members along with the notice calling the meeting. Items of business not included in the agenda may be considered with the consent of the meeting.
- III Seven members of the Court shall be a quorum. (Universities (Scotland) Act, 1889, Section 5(1)).
- IV At every ordinary meeting of the Court the first business shall normally be the approval of the minutes of the previous meeting or meetings of the Court. No discussion shall be allowed upon the minutes, except as to their correctness. The approved minutes will be signed by the Chair of the meeting.
- V All motions and amendments must be seconded, and except formal motions (such as a motion for adjournment), shall be provided to the Secretary in writing. Motions or amendments made but not seconded shall not be discussed, but a record thereof shall be entered in the minutes, if desired by their proposers.
- VI No member of the Court shall be entitled to propose a motion, other than one directly arising from the discussion of a subject before the Court, unless notice of such motion has been given at a previous meeting, except with the consent of a majority of the members present.
- VII Any member taking part in a vote may, at the same meeting, enter his/her dissent from the resolution adopted, and may, either at that or at the next meeting, give in writing reasons of dissent to be recorded in minutes; but no member who has not proposed a motion or recorded a vote on the matter under discussion shall be entitled to enter his/her dissent from a resolution of the Court.
- VIII After a motion or amendment has been made and seconded it shall not be withdrawn, or altered in substance, except by leave of the meeting.
- IX When only one amendment is made upon a motion, the vote shall be taken between the motion and the amendment. When there is more than one amendment, the amendment last proposed shall be put against that immediately preceding, and then the one which is carried shall be put against the next preceding, and so on until there remains only one amendment, between which and the original motion the vote shall be taken. When the vote between these is taken, the motion or amendment carried shall be put as a substantive resolution without further discussion. All amendments must be relevant to the motion, and no member shall move more than one amendment upon any motion.
- X A decision of the Court will continue to be operative and binding until the Court agrees to rescind or vary that decision.
- XI The business of Court will normally be open for discussion by all members of Court. In some very exceptional circumstances business may require to be designated as 'reserved'. The Senior Governor, in consultation with the Secretary (or where it is a matter relating to the Secretary in consultation with the Principal), will determine when an item of business requires to be designated as reserved and the members of Court who are permitted to access the related information and participate in its discussion. Items of business that might require to be designated as reserved would normally include, but are not exclusive to, matters relating to an individual member of staff's employment or matters that are commercially sensitive.

- XII On the recommendation of the Governance & Nominations Committee, membership of Committees shall be approved, normally at the first meeting of the Court in each academic year, members to hold office for one year from the following 1 October or for such other period as may be determined by Court. A casual vacancy may be filled at any time, the person elected to hold office for the remainder of that period. The Court may delegate to any Standing Committee power to deal on the Court's behalf with any matter within the Committee's terms of reference.
- XIII The Court may appoint an ad hoc Committee to consider any matter arising and may delegate to such a Committee powers to deal with the matter on the Court's behalf.
- XIV The Principal shall exercise delegated authority to decide routine matters on the recommendation of colleagues in senior management, on the recommendation of Senate, or on the advice of Court and joint Court-Senate Committees. All such decisions shall be reported to the next meeting of Court to ensure that members are fully informed and have an opportunity to raise issues of interest to them.
- XV When a report is submitted by a Committee the Convener if present shall have the right to move its adoption.
- XVI No member shall speak more than once on the same question, except in reply upon the original motion, or in explanation, or by leave of the meeting.
- XVII The mover of an original motion shall have the right of reply. No new matter shall be introduced by the mover in reply, and, after his/her reply, no other member shall speak on the question.
- XVIII A motion for the closure of debate shall be put to the vote without discussion; but such a motion shall not be moved until six members have had the opportunity to speak. If it is carried the mover of the original motion shall have a right of reply as provided in Standing Order XV.
- XIX Notwithstanding the Rector's statutory right to preside at meetings of Court the Senior Governor of Court, will be responsible for the leadership of the Court, its effective governance and all other duties and responsibilities commonly understood as belonging to the Chair of a university governing body. The University's Rector's Protocol sets out the roles of the Rector and that of the Senior Governor in regard to chairing of meetings of Court.
- XX All questions of order shall be decided by the Chair, or, if the Chair's ruling is challenged, on the motion of any member of the Court, by a vote. Any member may speak upon a matter of order suddenly arising, and should do so as soon as possible, and commence with a statement that he/she rises to raise a point of order. The member who is addressing the Court at the time of a point of order being raised, shall resume his/her seat and no other member shall be entitled to speak to the point of order unless by permission of the Chair. When the question of order has been decided, the member who was addressing the Court at the time when it was raised, shall be entitled to proceed with the discussion, giving effect to the decision.
- XXI On resuming an adjourned debate, the member who moved its adjournment shall be entitled to speak first.
- XXII No standing order shall be suspended or dispensed with at any meeting, unless by consent of two-thirds of the members present and voting.
- XXIII Notice of any motion to amend these standing orders must lie on the table from one meeting to the next before consideration, and the adoption of any such amendment shall require a majority of two-thirds of the members of the Court present and voting.

UNIVERSITY OF ABERDEEN

UNIVERSITY COURT

PROTOCOL ON THE ROLES OF THE RECTOR AND SENIOR GOVERNOR ON COURT

- 1 In accordance with the best practice guidelines of the Scottish Code of Good Higher Education Governance, the University Court has agreed the following protocol to distinguish between the respective roles of the Rector and the Senior Governor in so far as the leadership and governance of the Court is concerned and in relation to the conduct of Court meetings. It is recognised that the modern role of the Rector extends beyond that originally assigned to the office under the legislation of the nineteenth century. For example, the Rector is generally expected to work closely with the student body and other stakeholders in order to represent them effectively. This protocol, however, relates only to the role of the Rector in so far as it relates to the chairing of Court meetings and where there is a need for clarity between these and the responsibilities which in any other university would be expected of the “Chairperson”.
- 2 The Higher Education Governance (Scotland) Act 2016 and the Universities (Scotland) Act 1889 as amended together set out the role of the Rector and to some extent how this relates to the role of the Senior Governor. *The Universities (Scotland) Act 1889 (as amended by the Higher Education Governance Act 2016) states that “the Rector and in his absence, the senior lay member (Senior Governor), shall preside at meetings of the University Court and in the absence of both of them a chairman for the time shall be elected by the meeting. The person presiding at any meeting of the University Court shall have a deliberative vote and also a casting vote in case of equality.*
- 3 While recognising the right of the Rector to “preside” at Court meetings, the role of the “Chairperson” as generally described in good governance practice is a role that extends beyond the conduct of Court meetings. As is described in the Higher Education Governance (Scotland) Act 2016 and the Scottish Code of Good Higher Education Governance, the Chair is responsible for the leadership of the governing body and is ultimately responsible for its effectiveness, and has further specific responsibilities including leading the appraisal of the Principal. In common with the other Scottish Ancients, at Aberdeen the role of “Chairperson” as described in the Code (and distinct from the role of “Presiding” at meetings) is undertaken by the Senior Governor who is appointed by Court, and who is recognised as such by the Scottish Funding Council and other stakeholders.
- 4 The Court has a formal position, agreed in 2007, that notwithstanding the statutory right of the Rector, in modern governance terms it is not appropriate that the Court as the governing body is unable to determine who “presides” at its meetings or who is entrusted with a casting vote and that this should be reformed. While the University has been unable to effect this change, it remains the formal position of the Court on this matter.
- 5 At present the Rector has opted to exercise her right “to preside” at Court meetings although some previous Rectors have opted not to “preside” at Court meetings with the Senior Governor undertaking this role as Court’s formal Vice-Chairperson. Some Rectors have considered themselves better able to discharge their wider role in representing students and other stakeholders without the obligations upon a “chair” in conducting meetings. The Court considers that to have worked effectively both in terms of the effective governance and leadership of the Court and for the wider interests of the University community that the Rector serves.

The University will, therefore, bring both this protocol and practice to the attention of all Rectorial candidates as recommended by the Scottish Code of Good Higher Education Governance.

- 6 The University will bring both this protocol and practice to the attention of all Rectorial candidates as recommended by the Scottish Code of Good Higher Education Governance.

Approved by Court 1 July 2014
Updated January 2018

UNIVERSITY OF ABERDEEN

POLICY AND RESOURCES COMMITTEE
(Committee of Court – as at 1 November 2020)

1. COMMITTEE TITLE

POLICY AND RESOURCES COMMITTEE

2. DATE OF ESTABLISHMENT

September 2008 (previously Operating Board, renamed 2019)

3. CHAIR AND ADMINISTRATIVE SUPPORT AREA

Chair: Court Member
Clerk: University Secretary's Office

4. PURPOSE

To integrate academic, financial, estate and human resource planning and policy making, and advise Court and Senate on long-term strategic objectives. To monitor the performance of the University and advise Court and Senate on performance matters as required.

5. REMIT: (To be reviewed annually at first meeting of committee cycle)

Responsible for:

Strategic Objectives

- monitoring the implementation of strategies agreed by Court, including reviewing all Business Plans associated with strategic projects
- monitoring the University's Health and Safety performance

Resource Planning

- making recommendations to Court on the University's Annual Budgets and Financial Forecasts
- making recommendations to the Court regarding the University's Capital Plan and its implementation
- to approve proposed expenditure outwith the agreed revenue and capital budget with a value between £1 million to £5 million
- monitoring the University's financial performance and approving additional expenditure on approved projects within a tolerance threshold of up to the lesser of 10% or £1m
- monitoring performance of the implementation of the University's capital projects and receiving reports from the Estates Committee
- overseeing cash management, borrowing policies and compliance with banking covenants and ensuring compliance with the Financial Memorandum
- overseeing the management and performance of the University's investments
- monitoring the performance of the University's spin-out/joint venture companies
- overseeing the creation, dissolution or sale of University subsidiary companies

Policy Making

- approving University staffing and development policies and staff terms and conditions of employment
- approving the strategy for the setting of University tuition fees

Performance

- monitoring the University's performance across finance, HR, student recruitment and admissions, and all other matters necessary for strategy delivery
- overseeing institutional equality and diversity issues

6. COMPOSITION AND QUORUM

Chair:	Court Member
Independent Members:	<p>Four independent members of the Court (including the Chair), appointed by Court on the recommendation of the Governance & Nominations Committee (<i>independent being defined as external to, and not employed or remunerated by, the University</i>), one of whom should have appropriate financial expertise.</p> <p>The Chair of the Board to be an independent member of Court and appointed by Court on the recommendation of the Governance & Nominations Committee but not being the Senior Governor of Court (or Chair, should the position of the Rector as Chair be changed).</p> <p>A Senate Assessor</p> <p>A staff member of Court (who is not a Senate Assessor and who may be another elected staff member of Court or trade union nominated member of Court.)</p> <p>A Students' Association Nominated Member of Court</p>
<i>Ex officio:</i>	The Principal (or Senior Vice-Principal if not otherwise a member of the Board as alternate with agreement of Chair) and one other member of the Senior Management Team.
<i>In attendance:</i>	<p>University Secretary, Senior Vice-Principal (if not otherwise members).</p> <p>With the agreement of the Chair, other staff, students or stakeholders, as required.</p>
Quorum:	50% of formal membership (including Chair)

ACCOUNT TO BE TAKEN OF EQUALITY AND DIVERSITY IN MEMBERSHIP

7. MEMBERSHIP 2020-21

Chair:	Ms Anne Minto
Court Members:	<p>Professor Nuala Booth</p> <p>Mr Gary McRae</p> <p>Ms Lyndsay Menzies</p>
1 Senate Assessor:	Professor Neil Vargesson
	<p>1 staff member of Court (who is not a Senate Assessor and who may be another elected staff member of Court or trade union nominated member of Court.): Dr David Watts (to 1 November 2020), thereafter Mr Nick Edwards</p> <p>Ms Cecilia Wallback (President of AUSA)</p>
<i>Ex officio:</i>	<p>Professor George Boyne</p> <p>Professor Karl Leydecker</p>
<i>In attendance:</i>	Ms Tracey Slaven
Clerk:	Ms Ruth MacLure

8. REPORTING LINE/PARENT COMMITTEE AND INTERFACE WITH OTHER COMMITTEES

Formal reporting line: Court

Parent committee: Health and Safety Committee
Partnership Negotiating and Consultative Committee
Estates Committee
Information Governance Committee
International Partnerships Committee
Investment Committee
Digital Strategy Committee
Student Recruitment Committee
Equality, Diversity and Inclusion Committee
Start up and Spin Out Committee
Sustainability Steering Group

Interface with other committees: Audit and Risk Committee

9. FREQUENCY AND TIMING OF MEETINGS

Five meetings per session (with a further meeting in April if required), scheduled to facilitate reporting to Court.

Meetings between 10-4 in accordance with University Policy.

10. PUBLICATION OF PAPERS

Cognisance will be taken of the University's Publication Scheme and Agenda papers will be made available on web pages/staffNet where possible.

UNIVERSITY OF ABERDEEN

AUDIT AND RISK COMMITTEE
(A Committee of Court)
(October 2019 – Under Review)

1. COMMITTEE TITLE

AUDIT AND RISK COMMITTEE

2. DATE OF ESTABLISHMENT

Remit revised and approved by Court in December 2013

3. CHAIR AND ADMINISTRATIVE SUPPORT AREA

Chair: Court Member
Clerk: University Secretary's Office.

4. PURPOSE

A formal standing committee established by Court which is fundamental to the University's governance and required for statutory and regulatory purposes.

5. REMIT *(To be reviewed annually at first meeting of committee cycle)*

The Audit and Risk Committee is a committee of Court. It provides advice to the Court on the effectiveness of the University's procedures for external and internal audit, financial control, governance and risk management, and provides assurances in these key areas through its annual report to the Scottish Funding Council, which is approved by Court. Its remit is regularly reviewed to ensure compliance with governance codes and guidance.

More specifically, the Committee will:

5.1 External Audit

5.1.1 *Make recommendations to Court on the appointment (and, if necessary, termination of the appointment) of external auditors, their terms of engagement and remuneration.*

5.1.2 *Oversee external audit services, including:*

- *promoting coordination with internal audit services;*
- *providing input to, and approving, an annual external audit strategy and plan;*
- *reviewing reports and recommendations from the external auditors;*
- *reviewing the adequacy and implementation of the management response;*
- *reviewing the effectiveness, independence and objectivity of the external auditors;*
- *reviewing the objectives and scope of any non-statutory audit work undertaken by the external auditors and advising Court on any potential conflict of interest;*
- *reviewing the draft annual financial statements with the external auditors and recommend their adoption by Court following satisfactory resolution of matters raised;*
- *reviewing the external auditor's Management Letter and monitor management's action on the implementation of the agreed recommendations*
- *approval of all non-audit services carried out by the External Auditor over the sum of £10k.*

5.2 Internal Audit

5.2.1 *Make recommendations to Court on the appointment (and, if necessary, termination of the appointment) of internal auditors, their terms of engagement and remuneration.*

5.2.2 *Oversee internal audit services, including:*

- *promoting coordination with external audit services;*
- *providing input to, and approving, a 3-year Internal Audit Strategy and an Annual Internal Audit Plan;*
- *approving the criteria for grading recommendations in assignment reports as proposed by the Head of the internal audit service*
- *reviewing reports and recommendations from the internal auditors;*
- *reviewing the adequacy and implementation of the management response; and*
- *reviewing the effectiveness, independence and objectivity of the internal auditors;*

5.3 Financial Control

5.3.1 *Review the effectiveness of the University's systems for:*

- *financial control;*
- *obtaining value for money; and*
- *responding to alleged financial irregularities / fraud.*

5.3.2 *In relation to Value for Money:*

- *advise the Court on Value for Money (VFM) matters arising from internal and external audit reports and relevant external VFM studies of best practice for promoting economy, efficiency and effectiveness.*
- *Receive and approve the University's Institutional Efficiency Return to the SFC*
- *Receive and approve the University's Transparent Approach to Costing (TRAC) Return to the SFC*

5.3.3 *In relation to alleged financial irregularities / fraud:*

- *receive regular reports from the internal auditors and management on reports received, investigations conducted and action taken; and*
- *obtain assurances that any significant losses have been appropriately disclosed and (where appropriate) reported to SFC and other external bodies.*

5.4 Risk Management

5.4.1 *Review the effectiveness of mechanisms operated by the University for identifying, assessing and managing risks.*

5.4.2 *Regularly consider the current status of core risks to the University's strategy, through the review of documents presented by management and derived from the Corporate Risk Register.*

5.4.3 *Receive regular reports from management on the operation of the University's Risk Management arrangements.*

5.4.4 *Oversee the University's Public Interest Disclosure [whistle-blowing] policy and receive reports from management on cases.*

5.5 Governance

5.5.1 *To advise the Court on its compliance with corporate governance requirements, good practice guidance and the SFC Accounts Direction, and to review the University's Statement of Corporate Governance in advance of Court approving the audited financial statements.*

The Committee will ensure that the Annual Report presents a fair, balanced and understandable assessment of the University's position and prospects. This will include a report on key areas looked at in the year.

6. COMPOSITION AND QUORUM

The Committee must have an independent* member majority and at least one of its members must have recent and relevant financial expertise. Members are appointed for terms of three years.

Chair - Independent Member of Court

One other Independent Member of the University Court

Two external members appointed by Court on the advice of the Governance and Nominations Committee in consultation with the two lay members.

Co-opted: As deemed required

The Committee may co-opt additional members who have relevant expertise and are in no way connected with the provision of financial services to the University. Where deemed appropriate, one co-opted member may be drawn from academic staff of the University not directly involved in its management.

In attendance: Principal
 Senior Vice Principal
 University Secretary
 Director of Finance
 Director of Planning
 Internal Auditor
 External Auditor

Quorum: 50% of formal membership

ACCOUNT TO BE TAKEN OF EQUALITY AND DIVERSITY IN MEMBERSHIP

7. MEMBERSHIP (at 26/09/19)

2019-20

Court
 Mr David MacFarlane (*Chair*)
 Ms Eleanor Bentley

External/Co-opted
 Mrs Lynne Macfarlan
 Mrs Morag McNeill (*Co-opted*)
 Mr Peter Milne (*Co-opted*)

Clerk: Ms Ruth MacLure

** Independent is defined as both external and independent of the University*

8. REPORTING LINE AND INTERFACE WITH OTHER COMMITTEES

Formal reporting line: University Court
 Sub-committee: none
 Interface with other committees: Governance & Nominations Committee on governance matters

The Committee will prepare an annual report covering the institution's financial year and any significant issues up to the date of preparing the report. The report will be addressed to Court, summarising the activity for the year, and providing an opinion on the adequacy and effectiveness of the institution's risk management, control and governance arrangements. and arrangements for promoting economy, efficiency and effectiveness (VFM) as required by the Scottish Funding Council and Scottish Code of Good Higher Education Governance (2017).

The Committee reports to the next meeting of Court following each of its meetings in the form of an executive summary of its minutes.

9. FREQUENCY AND TIMING OF MEETINGS

Five meetings per session (October, November, February, April, June). One meeting per year is reserved for the consideration of annual reports. At least once a year, the Committee will meet privately with both the internal and external auditors.

Meetings between 10-4 in accordance with University Policy.

10. PUBLICATION OF PAPERS

Cognisance will be taken of the University's Publication Scheme and Agenda papers will be made available on web pages/staffNet where possible.

11. DATE ESTABLISHMENT OF COMMITTEE APPROVED/RECORDED: December 2013

Updated in January 2019, August 2019, October 2019 – approved by Court 10/12/19

GOVERNANCE AND NOMINATIONS COMMITTEE
(Committee of Court – as at November 2020)

TERMS OF REFERENCE

Constitution

The University of Aberdeen Court has established a Committee of the Court known as the Governance & Nominations Committee.

Scope

The Committee has a standing role to advise Court on matters of governance and to conduct on its behalf, reviews of the University's governance. The Committee also has responsibility for considering nominations for vacancies in Court membership and vacancies in the membership of Court sub-committees.

Membership

Members of the Committee shall be appointed by the Court and shall be made up of:

- Five Independent Members: one of whom to be Chair (the Chair should not also serve as the Senior Governor of Court or Chair of Policy and Resources Committee); The Senior Independent Member should also normally be a member of the Committee or be invited to meetings 'in attendance';
- Principal (or Senior Vice-Principal as alternate with agreement of Chair);
- A staff member of Court (who is not a Senate Assessor and who may be another elected staff member of Court or trade union nominated member of Court);
- A Senate Assessor;
- A Students' Association nominated member of Court.

In addition the Committee will have the power to co-opt additional members subject to the approval of Court.

Only members of the Committee have the right to attend Committee meetings. However, other University Officers or individuals may be invited to attend for all or part of any meeting, as and when appropriate and necessary. The University Secretary and the Clerk will normally be in attendance at meetings.

Meetings

- The Committee shall meet at least three times a year and at such other times as may be required to enable it to perform its duties;
- The quorum necessary shall be 50% of formal membership (including Chair);
- All matters brought before the Committee shall be determined by a majority of those present at the meeting, and in the case of an equality of votes the Chair shall have a second or casting vote;
- The schedule of meetings will be agreed annually;
- Meetings of the Committee shall be summoned by the Clerk subject to the prior approval of the Chair; Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of the items to be discussed, shall be forwarded to each member of the Committee, at least 7 working days before the meeting;
- No person other than permitted attendees shall be entitled to receive any papers relating to matters being considered by the Committee, unless authorised by the Chair.

Authority

- The Committee is authorised to obtain, at the University's expense, outside legal or other professional advice on any matters within its terms of reference.

Remit

The Committee is authorised by Court to:

- advise Court on matters of governance and conduct reviews of the University's governance on its behalf;
- ensure the University has met the governance requirements of the Scottish Code of Good HE Governance, Scottish Funding Council and charities regulator;
- review key governance risks and monitor the adequacy and effectiveness of respective mitigation, activities and controls;
- recommend to Court the process to be undertaken in the appointment or re-appointment of the Principal and the University Secretary & Chief Operating Officer, specifying also the authority of any selection committee within such process and the points at which its approval must be sought;
- receive assurance reports on the continuity plans for senior management positions (in the event of unexpected absences);
- make recommendations to Court on the appointment or re-appointment of independent members of Court, and Court representatives on Court and joint Court/Senate Committees;
- advise Court on the process for the appointment and election of the Senior Governor as required;
- monitor Court members' compliance with the Code of Conduct for Members of Court, including upholding the nine principles of Public Life in Scotland; and to undertake those duties ascribed to it by Resolution No 288 of 2017 (Procedure for Removal of members of the University Court);
- monitor the operation of the University's Code of Practice on Conflicts of Interest and to make reports and recommendations to the University Court;
- review annual declarations of interest and to take further action where required.
- consider and, if appropriate, approve requests for the holding of shares, executive directorships, or other directorships;
- give advice regarding any matter of University governance or potential area of conflict of interest referred to it (e.g. international collaboration, ethical or reputational issues);
- consider all prospective donations of £1M or more, and any other prospective donations with the potential to give rise to significant ethical or public interest and to advise Court as appropriate. To ensure the University has appropriate policies and guidance in place relating to the same;
- consider and recommend to Court nominations for the award of University Benefactor.

Duties

In fulfilling its role, the Committee shall:

- consider candidates on merit and with due regard for the benefits of equality and diversity;
- satisfy itself that the balance of skills, knowledge, experience and diversity on each appointment that falls within the Committee's remit supports the objectives of the University;
- satisfy itself that candidates can devote enough time to the role;
- satisfy itself that any candidate's business interests which might create an actual or potential conflict of interest with the University of Aberdeen has been identified and considered, and make recommendations to Court on the authorisation of any conflict of interest;
- ensure that a documented, consistent and transparent process exists and is applied to all the Committee's appointments and includes open advertising, encourages candidates from a wide range of backgrounds, and a robust selection process;
- ensure that so far as is within its control, the outcome of any decision by the Committee is not communicated to any candidate, before Court has approved the appointment;
- monitor the succession plan for each body that falls within its remit, and oversee the pipeline of succession to ensure that there are no gaps in appointments and the membership of each body meets the requirements of the Court's regulations and those of the Scottish Code of Good HE Governance, SFC or other relevant sector guidance.

Reporting Responsibilities

- The Clerk shall minute the proceedings of all Committee meetings, including the names of those present and in attendance;
- Minutes of Committee meetings shall be circulated promptly to all members of the Committee and will be formally signed off at the next Committee meeting;
- The Committee shall report to Court on such other matters as Court may require. The Committee shall make recommendations to Court on the matters that have been considered or reviewed by it at the Court meeting following the meeting of the Committee;
- The Committee shall make a statement in the annual report about its activities.

Other

The Committee shall:

- at least once every year, review its terms of reference and at least every two years, review its own performance to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Court for approval;
- be provided with appropriate and timely training, both in the form of an induction programme for new members and an ongoing basis for all members;
- give due consideration to laws and regulations, the provisions of the Scottish Code of Good Higher Education Governance and the Scottish Funding Council.

Membership 2020/2021

- Chair – Eleanor Bentley (Interim)
- Ms C Backwell
- Ms E Robertson
- Mrs J Shirreffs
- Mr G McRae (Interim)
- Professor G Boyne with Professor K Leydecker as alternative
- Dr M Mills – with Dr H Martin as alternate
- Professor J Schaper
- Ms C Wallback

In attendance:

- University Secretary;
- Senior Independent Member: Nuala Booth
- Clerk to the Court.

UNIVERSITY OF ABERDEEN
REMUNERATION COMMITTEE

1 COMMITTEE TITLE

Remuneration Committee

2 DATE OF ESTABLISHMENT

Reviewed as part of Committees Review 2014.

3 CONVENER AND ADMINISTRATIVE SUPPORT AREA

Convener	Independent member of Court (The Convener not to be the Senior Governor)
Clerk	Director of Human Resources

4 PURPOSE

To advise the University Court on matters relating to the pay and conditions of senior staff.

A Committee required for regulatory purposes, eg Scottish Code, Financial Memorandum.

5 REMIT: (To be reviewed annually at first meeting of committee cycle)

- To advise the Court on matters relating to the pay and conditions of senior staff;
- To seek comparative information on salaries and other emoluments and conditions of service in the university sector;
- To determine and review the salaries, terms and conditions (and where appropriate, severance payments) of the Senior Governor, Principal, Vice-Principals, the University Secretary, Professorial and Grade 9 officers and such other staff as the University Court may from time to time determine;
- to ensure that the performance of the Principal as head of the institution is assessed on an annual basis.
- To oversee severance arrangements for senior staff and ensure that account is taken of the *SFC Guidance on Severance Arrangements in respect of Senior Staff*. Where consideration of severance arrangements is delegated, to ensure that the boundaries of delegated authority is clear, and to receive formal reports of any severance arrangements.

6. COMPOSITION AND QUORUM:

Chair	An independent member of Court (The Chair not to be the Senior Governor)
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Membership	4 Independent members of University Court (including the Senior Governor) A Senate Assessor Member of Court A staff member of Court who is not a Senate Assessor A Students' Association nominated member of Court
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In attendance:	Principal* University Secretary*
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Clerk	Director of People *
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**who shall withdraw when the Committee considers his/her own salary, terms and conditions, or severance pay.*

Quorum: Three members at least two of whom shall be independent members

ACCOUNT TO BE TAKEN OF EQUALITY AND DIVERSITY IN MEMBERSHIP

7 MEMBERSHIP

Chair:	Mr I Mackay (Interim)
Independent Members:	Vacancy
	Mr K Anderson
	Prof N Booth (Interim Senior Governor)
	Mr I Percival
Senate Assessor:	Mrs Lindsay Tibbetts
A staff member of Court who is not a Senate Assessor:	Mr O Cox (Dr H Martin as alternate)
President of the Students' Association:	Ms C Wallback
In attendance:	Principal*
	University Secretary*
	Prof G Boyne
	Ms T Slaven

8. REPORTING LINE/PARENT COMMITTEE AND INTERFACE WITH OTHER COMMITTEES

Formal reporting line:	University Court
Interface with other committees:	n/a

9. FREQUENCY AND TIMING OF MEETINGS

The Committee will meet at least once per year, with further meetings scheduled as appropriate. Meetings between 10am – 4pm in accordance with University Policy.

10. PUBLICATION OF PAPERS

Cognisance will be taken of the University's Publication Scheme and Agenda papers will be made available on web pages/staffNet where possible.

Rector

Vacancy wef 1 April 2021.

Professor George Boyne

Principal and Vice-Chancellor

Professor George Boyne became Principal and Vice-Chancellor of the University of Aberdeen on 1 August 2018. Professor Boyne has spent the majority of his academic career in Wales. He was Pro Vice-Chancellor, Head of the College of Arts, Humanities and Social Sciences and a member of University Executive Board at Cardiff University since 2012. He was previously Dean of Cardiff University's Business School and is a world-leading expert on the performance of public sector organisations. Professor Boyne has been a Fellow of the Academy of Social Sciences since 2010.

Professor Nuala Booth

Senior Governor (Interim)

Nuala Booth has been a member of Court at the University of Aberdeen since October 2014, elected for a 4-year term as a General Council Assessor, and then becoming an independent member. In September 2020 she became the Senior Independent Member. She took up her current temporary role in January 2021 as a result of the resignation of Esther Robertson as Senior Governor.

Nuala is a former member of staff at the University of Aberdeen, where she held a personal chair in Molecular Thrombosis prior to her retirement in 2010. She made significant contributions to research and to the teaching of biochemistry, with input also into the career development of younger scientists. She continues her interest in research on degradation of blood clots, which is relevant to the diseases of thrombosis. She contributes to the work of the Royal Society of Edinburgh and the International Society on Thrombosis and Haemostasis.

Dr Martin Mills, Academic Staff Member

Martin is Senior Lecturer in Anthropology at the University of Aberdeen, and the academic staff representative to Court. He is also an elected member of the University Senate of fourteen years' experience in both the Schools of Social Science and Divinity, History and Philosophy. He is a research active specialist on Tibetan and Chinese political and religious affairs. Martin has worked at Aberdeen University since 2000, having previously worked at the Universities of Edinburgh, St Andrews and Sussex.

Nr Nick Edwards,

Non-Academic Staff Member

Nick is an alumnus of the University's School of Law and qualified as a Solicitor in 2011, working in corporate Pensions and Employment. He re-joined the University as a staff member in 2013, leading on the development of the institution's immigration compliance processes across the student population.

Since 2018, Nick has headed our Student Support Services and, in Autumn 2019, was appointed as acting Deputy Director of People.

Nick is the Policy & Procedure lead on the staff LGBTQ+ Network and co-chairs the Universities Gender Based Violence Working Group. Externally, Nick is a member of the Law Society of Scotland and is the institutional lead member of AMOSSHE Scotland.

Dr Helen Martin

Academic Trade Union Nominated Member

Helen Martin is a lecturer in Mathematics Education where she specialises in pedagogical design capacity and professional decision-making. Her research and teaching are based on the design principles 'valuing diversity, developing flexibility and making connections' with an emphasis on how 'others' make sense of doing mathematics, becoming and being mathematicians within a community. Helen has led collaborative projects across universities around E-Formative Assessment, online study sessions for primary pre-service teachers and Multiplicative and Algebraic Reasoning across Scottish

schools as well as continuing to work at a National level with the Scottish Government, Scottish Mathematics Council and Royal Society of Edinburgh.

Mr Owen Cox
Non-Academic Trade Union Nominated Member
Biography to Follow

Professor Joachim Schaper
Senate Assessor

Joachim Schaper studied Theology, Philosophy and Assyriology at the University of Tübingen and Theology at the University of Cambridge. He was a Research Fellow at Clare College, University of Cambridge and taught as a Privatdozent in Old Testament at the University of Tübingen from 1999 to 2005. In 2005 he joined the University as a Reader in Old Testament, was appointed to a Personal Chair in 2006, and translated to the Chair of Hebrew and Semitic Languages in 2012.

Mrs Lindsay Tibbetts
Senate Assessor

Lindsay Tibbetts is a Fellow of the Institute of Chartered Accountants in England and Wales (FCA) and was appointed Deputy Dean of the University of Aberdeen Business School from August 2018. Prior to this she was programme leader for the undergraduate Accountancy and Accountancy and Finance programmes, programme accreditation lead and leader of the business school induction event. She obtained her first degree in Modern Studies from Coventry (Lanchester) Polytechnic, before training as a Chartered Accountant and later obtaining an MBA from the University of Birmingham. Having qualified as a Chartered Accountant in practice she moved into a series of European internal audit roles.

Professor Neil Vargesson
Senate Assessor

Neil is Professor in Developmental Biology at the University of Aberdeen and was a member of Senate 2008-2013 representing the School of Medical Sciences and again since 2016 representing the School of Medicine, Medical Sciences and Nutrition. Neil is a Fellow of the Higher Education Academy and teaches both Undergraduate and Postgraduate taught students and is Degree Programme Coordinator for Developmental Biology courses. His research is focused on understanding how birth defects come about, specifically those caused by medicines, such as thalidomide, as well as drug safety and he has advised national and international Governments and Agencies regarding his research.

Dr Diane Skatun
Senate Assessor

Diane is a graduate of the University of Aberdeen. Her first degrees are in Political Economy and then Economics from the University of Glasgow before coming to Aberdeen and being awarded a PhD in Economics. She joined the Health Economics Research Unit at the University in 1999 where her research focuses on how financial and non-financial incentives influence the behaviour of the healthcare workforce.

Ms Cecilia Wallback
President of AUSA

Cecilia represents the student body as Student President at the Aberdeen University Students' Association (AUSA) and a Chair of the AUSA Trustee Board. She sits on the Student Council, as well as on several University appointed committees, including Court and Senate, representing the views of students to the University. Cecilia also sits on the Rocking Horse Nursery Trustee Board.

Cecilia graduated with a Master of Arts in Psychology from University of Aberdeen in 2019.

Mx Louise Henrard
AUSA Nominated Student Member
Biography to Follow

Mr Keith Anderson
Independent Member

Keith is Chief Executive Officer for ScottishPower and he also sits on the ScottishPower Board, where he was appointed in February 2012.

Keith has full responsibility for the Company's activities in the UK including the £5.3bn investment plan to 2022 designed to strengthen the position of the Company as the Utility of the Future.

Keith is a member of the UK Government's Investment Trade Advisory Group and is also a COP26 Business Leader. In January 2021 he became Chair of CBI Scotland.

Prior to joining ScottishPower, Keith worked with some major financial institutions including The Royal Bank of Scotland and Standard Life, as well as working as a management consultant with Ernst & Young.

Ms Eleanor Bentley
Independent Member

Eleanor is a Chartered Accountant and a graduate of the University of Aberdeen. She has extensive experience of corporate governance, risk and financial management having spent the majority of her executive career in senior finance roles with international and complex public companies.

Eleanor is a Non-Executive Director of the Scottish Ballet and a member of their Audit & Risk Committee, she is a Trustee of the Scottish Ballet Endowment Fund. She is a Council member of the Institute of Chartered Accountants of Scotland (ICAS) and is a member of their Nominations and Audit & Risk Committees.

Ms Colette Backwell
Independent Member

Dr Colette Backwell is currently Chief Executive of CLAN Cancer Support. A graduate of the Queen's University, Belfast, Colette began her career as a research scientist, completing a PhD in neurochemistry. She has since gained a wealth of experience in policy development, research, industry support and business management within the charitable, public and private sectors. Colette took up her appointment at CLAN Cancer Support, a long standing local charity providing cancer support services to anyone affected by a diagnosis of cancer in North-east Scotland, Moray, Orkney and Shetland, in 2015. In this role, Colette is the current Chair of the Grampian Cancer Partnership Group which provides a forum for cancer charities operating in North-east Scotland and sits on the NHS Cancer Strategy Group. She also represents cancer charities on the NHS North Cancer Alliance. Colette's previous roles include Director of the Scottish Food and Drink Federation as well as a number of senior policy development positions in the UK, Scottish and local Governments. With more than 20 years' experience working across various business sectors, she has a diverse knowledge of agriculture, rural affairs and the food and drink industry.

Mr David MacFarlane
Independent Member

David is a chartered accountant with more than 35 years' experience in financial management and as a director in the oil and gas sector. Most recently, he was finance director of Dana Petroleum. Subsequent to the takeover of Dana in 2010, he developed a career as a non-executive director working with a portfolio of companies, both listed and private.

Mr Iain Mackay
Independent Member

Iain became Chief Financial Officer of GlaxoSmithKline plc (GSK) on 1 April 2019, he is an Executive Director of the GSK Board and a member of the Corporate Executive Team. Prior to joining GSK, Iain was Group Finance Director of HSBC Holdings plc, a position he held for eight years and before that he served as Chief Financial Officer of HSBC North America Holdings Inc. and Chief Financial Officer (Asia-Pacific) of HSBC Holdings plc. Iain is an alumnus of the University of Aberdeen (MA in Business Studies & Accounting and was recognised with an honorary doctorate - Honoris Causa - by the university in 2015), and a former member of the British Heart Foundation Board of Trustees.

Mr Gary McRae
Independent Member

Gary is a graduate of the University and of the University of Bath. He trained in Aberdeen as a Chartered Accountant before a career in industry in which he has held senior positions in Strategy and Corporate Finance/Development at Dowty PLC, British Aerospace Defence and then Laird PLC, where he created Laird Technologies which grew globally to revenues in excess of £1 billion. Since retiring from Laird PLC, Gary has undertaken a number of non-executive Director roles and is currently the Senior Independent Director/Deputy Chair at Hampshire Hospitals FT and non-executive Director at SAS International and at the William Harvey Research Foundation.

Gary is also interim Senior Independent Member

Ms Lyndsay Menzies
Independent Member

Lyndsay is CEO of Eight Million Stories, an award winning content and digital marketing agency. Prior to founding 8MS she was CEO of bigmouthmedia, which merged with LBi to be acquired by Publicis Groupe in 2012. Credited with the operational excellence at the agency for 13 years, she was an integral part of its phenomenal growth. Winner of numerous awards, Lyndsay has led some of the largest global digital campaigns for brands such as IKEA, Hilton Corporation and British Airways.

Ms Anne Minto
Independent Member

Anne is a lawyer and has worked in a number of global senior roles in the engineering, oil and gas industries, and latterly served on the Centrica plc Executive Committee as the Group Human Resources Director from 2002 until 2011. She is currently a non-executive director on the boards of Tate and Lyle plc and EXL Services Holdings Inc. Previously she served on the boards of Shire plc and Northumbrian Water Group plc. Anne is Chair of the University's Policy and Resources Committee and also the University of Aberdeen Development Trust. She was awarded an OBE in 2000 for services to the engineering industry.

Mr I Percival
Independent Member

Iain graduated from the University of Aberdeen with a BSc (Hons) in Geology. He joined Royal Dutch Shell Petroleum in 1973 as a production geologist and spent over 30 years working for the company in a number of positions in locations across the world ending his career as the global Chief Petroleum Engineer. During this time he also graduated from Heriot Watt with a Masters in Engineering and from Brunel University with a MBA. An active member of the Society of Petroleum Engineers, Iain played a key role in creating a campus ambassador programme between the University and Shell, and in establishing a new petroleum engineering undergraduate degree. He was named an honorary professor in 2012 in recognition of his ongoing activities in support of the schools of engineering and geoscience.

Mrs Jenny Shirreffs
Independent Member

Jenny is a prominent volunteer and contributor to the charitable sector in Aberdeen. Jenny's voluntary service to the community was recognised with the MBE in 2009. She is a Burgess of the City of

Aberdeen, a Commander of the Order of St John, a Deputy Lieutenant of the City of Aberdeen, and Past President of the Rotary Club of Aberdeen St Machar, a Founder Director of Aberdeen Performing Arts, as well as being involved in many other arts and charitable organisations.

POLICY FOR THE REMOVAL OF A MEMBER OF THE UNIVERSITY COURT

1 INTRODUCTION

- 1.1 The University Court is committed to adhering to the highest standards of corporate governance expected of it as a body entrusted with public funds and, in particular, as set by the Scottish Code of Good HE Governance. This includes a duty to ensure that members of Court discharge their responsibilities as governors and regulate their conduct in accordance with the highest standards of governance, as set out in the University Court's Code of Conduct, adherence to which is part of the terms of the appointment of all members of Court.
- 1.2 The Scottish Code of Good HE Governance requires that a governing body must act to remove a member should they materially breach the conditions of their appointment. Equally, the Charities and Trustee Investment (Scotland) Act 2005 provides for circumstances under which an individual is disqualified from serving as a charity trustee. Accordingly, the Court has approved the following procedure (under Resolution) for the removal from office of a member of the University Court.

2 SCOPE

The procedure applies to all members of Court ie elected, appointed and co-opted members.

3 GROUNDS FOR REMOVAL OF A MEMBER OF COURT

- 3.1 The removal of a governor from office is not a step to be taken lightly. Depending on the circumstances, removal from office could be damaging to an individual's reputation and their career. It is expected, therefore, that the Senior Governor would normally raise with the member the conduct giving rise to concern before the formal procedure for suspension or removal is instigated, unless the Senior Governor considers it inappropriate or impractical to do so in the particular circumstances of the case.
- 3.2 The *prima facie* reasons where the suspension or removal of a member of Court might be invoked may include (but shall not be limited to) the following:
- (a) Persistent absenteeism from Court meetings;
 - (b) Conviction of a serious criminal conviction or relevant civil offence;
 - (c) Actions which bring the University into disrepute;
 - (d) Actions which call into question their ability to uphold the nine principles of Public Life in Scotland and in particular selflessness, objectivity and honesty in discharging the role of a Governor;
 - (e) Current and significant mental illness;
 - (f) Breach of confidentiality in connection with Court business;
 - (g) Failure to disclose a conflict of interest which has a material impact on the conduct of University business;
 - (h) Disqualification as a charity trustee by virtue of the exceptions specified in the Charities and Trustee Investment (Scotland) 2005 being:
 - someone with an unspent conviction for dishonesty or an offence under the Act;
 - an undischarged bankrupt;
 - someone who has been removed under either Scottish or English Law or the courts from being a charity trustee;
 - a person disqualified from being a company director.
 - (i) Failure to act in accordance with the legal duties and responsibilities of a charity trustee as set out in section 66 of the Charities and Trustee Investment (Scotland) 2005;
 - (j) Serious or persistent non-compliance with the Court's Code of Conduct for Members, or conduct consisting of a failure or persistent refusal or neglect or inability to perform the duties of being a member of Court;

- (k) Breach of any obligation or duty arising under the University's policies and procedures where relevant;
- (l) Violent, indecent, disorderly, threatening, abusive, insulting or harassing behaviour or language, deception or dishonesty;

3.3 In considering any case, the Court will require that careful consideration is given to the rights of the member concerned and to ensure that a case for removal is not being made simply because the views of the member were not shared by others or were critical of the University, subject to these being legitimately held and expressed in their capacity as a member of Court.

3 FINANCIAL AND AUDIT REQUIREMENTS

3.1 THE FINANCIAL REGULATORY CONTEXT

3.2 FINANCIAL MEMORANDUM BETWEEN THE SCOTTISH FUNDING COUNCIL AND THE UNIVERSITY OF ABERDEEN

3.1 THE FINANCIAL REGULATORY CONTEXT

The University is publicly accountable for its stewardship of public funds and funds from other sources through the University Court. The University is an exempt charity by virtue of the Charities Act 1960.

The major element of the University's income is paid in annual grant by the Scottish Funding Council (SFC). The Financial Memorandum between the Funding Council and the University sets out the terms and conditions on which the grant is made. The Court is ultimately responsible for ensuring that the conditions of grant are met. The Principal, as designated officer, is required to satisfy Court that there is compliance with the terms of the Financial Memorandum. The financial regulations of the University form part of this overall system of internal control. Existing regulations and financial policies are available to Court members on request or at:

<https://www.abdn.ac.uk/staffnet/working-here/finance.php>

The Court has delegated certain responsibilities in relation to financial governance to the Policy and Resources Committee. The Audit and Risk Committee is independent of management and communicates directly with Court, and has a wide remit allowing it to consider and investigate any matter pertaining to the financial management and corporate governance of the University.

3.2 FINANCIAL MEMORANDUM BETWEEN THE SCOTTISH FUNDING COUNCIL AND THE UNIVERSITY

The SFC is required to put in place a Financial Memorandum (FM) with each of the institutions that it funds. The FM sets out the formal accountability relationship between SFC and institutions, and the requirements with which institutions are expected to comply in return of payment of grant by SFC.

The FM is an important part of the governance framework within which SFC and institutions operate and it ensures that SFC is able to meet its statutory duties in relation to the Public Finance and Accountability (Scotland) Act 2000 and other legislation. The full text of the FM is attached as an appendix (Appendix E).



Scottish Funding Council

Promoting further and higher education

Financial Memorandum with Higher Education Institution

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Introduction

Purpose of this document

1. This Financial Memorandum (FM) sets out the formal relationship between the Scottish Further and Higher Education Funding Council (SFC) and higher education institutions (HEIs) and the requirements with which HEIs must comply as a term and condition of grant from SFC.

Scope of this document

2. This FM applies to all HEIs in Scotland.

Definition

3. In this document the term 'institution' is used in place of 'higher education institution'. The term 'chief executive officer' refers to an institution's Principal.

Compliance with the Financial Memorandum

4. The responsibility for ensuring that the institution complies with this FM rests with the governing body of the institution. Questions about the interpretation of the FM may be raised with officers of SFC at any time.
5. Where the institution's interpretation of the FM differs from that of SFC, the SFC will seek, wherever possible, to reach agreement in a spirit of partnership with the institution. However, SFC's interpretation of this FM shall be final.

Effective date

6. This FM shall take effect from 1 December 2014.

Structure of this document

7. The FM is in two parts:
 - Part 1: defines the relationship between SFC and the institution and the responsibilities of each for the proper stewardship of public funds.
 - Part 2: contains the general requirements that apply to all institutions.

Part 1: The relationship between SFC and the institution

Responsibilities of the Scottish Funding Council

1. SFC is the national, strategic body with responsibility for funding further and higher education, research and other activities in Scotland's colleges, universities and other HEIs. Its funding decisions support the Scottish Government's national priorities.
2. SFC is a Non-Departmental Public Body (NDPB) of the Scottish Government and undertakes its functions under the terms of the Further and Higher Education (Scotland) Act 2005 (the 2005 Act), as amended, including by the Post-16 Education (Scotland) Act 2013. In particular, SFC may make grants, loans or other payments to the governing bodies of institutions for the provision of further education, higher education, research and related activities.
3. The legislation also confers certain duties and responsibilities on SFC, including securing coherent, high quality further and higher learning provision, and the undertaking of research.
4. Under the terms of the 2005 Act, SFC may attach terms and conditions to the payment of grant made to institutions. It is a term and condition of grant payment from SFC that the institution's governing body and its designated officers comply with the requirements set out in this FM.

Accountability

5. SFC is accountable to the Scottish Ministers for the use of public funds provided to it under the terms of the relevant legislation.
6. The Chief Executive of SFC has also been appointed Accountable Officer under the terms of the Public Finance and Accountability (Scotland) Act 2000 and is responsible and accountable to the Scottish Parliament for ensuring that funds provided to SFC are used for the purposes for which they have been given, and in ways that comply with the conditions attached to them. The Accountable Officer has a personal responsibility for the propriety and regularity of the public finances provided to SFC, and for ensuring that funding is used economically, efficiently and effectively.

Assurance

7. In order to meet his or her responsibilities, the Chief Executive of SFC must be satisfied that the governing body of the institution meets the requirements of this FM as a condition of receiving grant funding from SFC. SFC will therefore seek financial management and other information from the institution but, as far as possible, will rely on data and information that the institution has produced to meet its own needs. If further information is required, SFC will make a specific request in the context of its commitment to efficient regulation.
8. Where SFC has concerns or insufficient information to provide the assurance required, it will, in the first instance, seek to resolve matters with the chief executive officer of the institution. Where this has not proved possible, or in the case of significant concerns, SFC's Accountable Officer will inform the chair of the governing body and the institution's chief executive officer in writing – and without delay – and will specify what action is required to address these concerns.
9. Where circumstances warrant it, SFC's Accountable Officer may suspend the payment of any or all grants to the institution. SFC may also use its powers to attend and address a meeting of the governing body.

What the institution can expect of SFC

10. SFC will conduct its affairs to high standards of corporate governance and public administration. It will maintain a complaints procedure and a separate appeals process for funding decisions.
11. SFC will act reasonably on the basis of the fullest available evidence and objective analysis. Subject to any legal requirement to observe confidentiality, it will be open and transparent with the institution, and with other stakeholders, and will give, or be prepared to give, a public justification of its decisions.
12. SFC recognises that the institution is an autonomous body. SFC will not substitute its judgements for those which are properly at the discretion of the institution. In particular, SFC will seek to maximise the discretion of the institution to use grants provided to it by SFC.
13. In discharging its responsibilities, SFC will seek to make regulation efficient and meet the principles for Better Regulation of Higher Education in the UK.
14. SFC will seek at all times to work in a spirit of partnership with the institution, including maintaining regular dialogue with the institution and, where appropriate, its representative bodies. The aim of that partnership will be to help the institution deliver its strategic priorities through the agreement of an Outcome Agreement with SFC, and ensure that SFC can deliver its priorities and undertake its statutory and other functions. SFC recognises that the institution may also undertake activities, and have to comply with legislation and regulation, which may fall outside the scope of this partnership.
15. SFC will allocate and pay grant to the institution in accordance with current published policies and procedures. The institution will be consulted in advance and given reasonable notice of any significant change to these policies and procedures and of significant changes in overall funding levels.

SFC's governance requirements of the institution

16. The SFC must be able to rely on the whole system of governance, management and conduct of the institution to safeguard all funds of the institution deriving from the Scottish Ministers and to achieve the purposes for which those funds are provided.
17. SFC requires the governing body to comply with the principles of good governance set out in the Scottish Code of Good HE Governance. SFC also requires the governing body to ensure that:
 - Public funds are used in accordance with relevant legislation, the requirements of this FM and only for the purpose(s) for which they were given. Strategic, Capital or other grant funding must only be used for the purpose for which it is provided by SFC
 - Subject to any legal requirement to observe confidentiality, the institution will be open and transparent with SFC and other stakeholders, and will give, or be prepared to give, a public justification of its decisions in relation to the use of public funds
 - The institution strives to achieve value for money and is economical, efficient and effective in its use of public funding
 - There is effective planning and delivery of the institution's activities in accordance with its mission and its Outcome Agreement agreed with SFC
 - The institution plans and manages its activities to remain sustainable and financially viable. An institution is being managed on a sustainable basis if, year on year, it generates sufficient income to cover its costs¹ and allow a margin of surplus for investment in its infrastructure – physical, human and intellectual – at a level which enables it to maintain adaptive capacity necessary to meet future demands. However, SFC recognises there could be strategic circumstances that result in the institution making a planned deficit over a short period of time; for example, strategic investment for growth, where the return on investment is not realised immediately
 - The institution has a sound system of internal management and control, including an audit

- committee, an effective internal audit service, and adequate procedures to prevent fraud or bribery
- The institution has an effective policy of risk management and risk management arrangements
 - The institution has regular, timely, accurate and adequate information to monitor performance and account for the use of public funds. Such information will be made available to SFC on request, as necessary, for the exercise of its functions and to gain assurance
 - The institution is engaged actively in continuously enhancing the quality of its activities and involves students and other stakeholders in these processes
18. As well as being accountable directly to the governing body for the proper conduct of the institution's affairs, the chief executive officer is also accountable directly to SFC's Accountable Officer for the institution's proper use of funds deriving from the Scottish Ministers and its compliance with the requirements of this FM.
19. The chief executive officer of the institution must inform SFC's Accountable Officer without delay of any circumstance that is having, or is likely to have, a significant adverse effect on the ability of the institution to deliver its education programmes, research and other related activity, including delivery of its Outcome Agreement with SFC. He or she must also notify SFC's Accountable Officer of any serious weakness, such as a significant and immediate threat to the institution's financial position, significant fraud or major accounting breakdown, or any material non-compliance with any requirement of this FM.

Revisions to the Financial Memorandum

20. SFC will make changes to the requirements in this FM only after consulting institutions or their representative bodies.

Part 2: General requirements

1. Unless otherwise stated, the following general requirements apply to the institution.

Financial Memorandum

2. It is a term and condition of grant payment from SFC that the governing body of the institution and its designated officers comply with the requirements set out in this FM.

Post-16 Education Body criteria

3. In undertaking its functions, the governing body must keep under review and have in place satisfactory provision in relation to the list of matters set out in section 7 (2) of the 2005 Act, as amended by the Post-16 Education (Scotland) Act 2013.

¹ From 2015-16 onwards, the new FE/HE SORP will bring about changes to accounting treatments in some areas. (e.g. Institutions will no longer benefit from the credit arising from the release of deferred capital grants from non-Government sources.) This will reduce ongoing reported surpluses and may result in some institutions showing on-going operating deficits. SFC will ensure that it takes into account the underlying financial position and the cash generative capacity of all institutions when monitoring financial sustainability.

Outcome Agreement

4. The institution must deliver its Outcome Agreement with SFC.

Payment of SFC Strategic, Capital or other Grants

5. Where the SFC makes a payment to the institution of a Strategic, Capital or other grant, the institution will be required to comply with any additional requirements attached to the grant as well as with this FM.

Research

6. The institution must use the SFC Research Excellence Grant (REG) funds for research purposes only, targeting their REG allocations predominantly on world-leading and internationally excellent research.

Business, Innovation and Skills and SFC research capital

7. Research capital funding from the UK Department of Business, Innovation and Skills and matched funding from SFC should be used by institutions to focus on maintaining excellent departments with the critical mass to compete globally and the expertise to work closely with business, charities and public services. All expenditure should be aligned to the institution's estate strategy.

Small Specialist Institution Grant

8. In order to continue receiving payment of the SFC Small Specialist Grant, Small Specialist institutions (SSIs) must retain small and specialist status.

Changes to grant payments

9. If the Scottish Ministers revise their payment of grant to SFC, then SFC reserves the right to make in-year adjustments to its payment of grant to the institution. In this case, SFC and the institution may renegotiate the institution's Outcome Agreement.

Repayment of grant

10. If the institution fails to comply with the requirements of this FM, and any other specific terms and conditions attached to the payment of grant from SFC, it may be required to repay SFC any sums received from it and may be required to pay interest in respect of any period during which a sum due to SFC in accordance with this or any other condition remains unpaid.
11. If, in the reasonable opinion of SFC, any provision set out in this FM is not observed by the institution, SFC will be entitled, in respect of the payment of grant from SFC:
 - In the case of funding by way of grant: to require immediate repayment of any and all grants or any part or parts of any grants at any time after the SFC becomes aware of such failure to observe (without prejudice to further demands until the whole of all sums made available by way of grant shall have been paid in full)
 - In the case of funding by way of loan (notwithstanding the terms of any agreement attached to the same): to require immediate repayment of the whole or part of each such loan at any time after SFC becomes aware of such failure to observe (without prejudice to further demands until the whole of all sums made available by way of loan shall have been repaid in full).
12. The institution should also note SFC's guidance on the process for managing outcome-based

funding decisions, which is available on SFC's website.

Public sector pay policy

13. The institution must have regard to public sector pay policy set by the Scottish Ministers.

Tuition fees

14. Where applicable, the institution must charge student tuition fees at the levels set by the Scottish Ministers under either the Student Fees (Specification) (Scotland) Order 2006 or the Student Fees (Specification) (Scotland) Order 2011, whichever is applicable.² However:
- the tuition fee levels set by the Scottish Ministers under the Student Fees (Specification) (Scotland) Order 2006 do not apply to students who do not have a relevant connection with the United Kingdom and Islands or are not excepted students within the meaning of the Education (Fees and Awards) (Scotland) Regulations 2007; and
 - The tuition fee levels set by the Scottish Ministers under the Student Fees (Specification) (Scotland) Order 2011 do not apply to students who do not have a relevant connection with Scotland or are not excepted students within the meaning of the Education (Fees) (Scotland) Regulations 2011, but any tuition fees charged to students from the rest of the United Kingdom must not exceed £9,000 per year³.

Capital finance

15. As a condition of SFC's Framework Document with the Scottish Government, SFC is required to "make provision for the monitoring and control of borrowing by institutions to protect the public investment in institutions and to maintain accountability for the use of exchequer funds". In order that SFC can discharge this requirement, it has in place a threshold for capital finance above which the institution requires SFC consent to undertake any new borrowing.
16. The governing body of the institution, in line with the Scottish Code of Good HE Governance, will, as a matter of course, satisfy itself that all of the following requirements on capital finance are met:
- The institution can demonstrate its ability to repay the finance, and to pay interest thereon, without recourse to requesting additional grant from SFC
 - The institution can demonstrate that its ability to maintain financial and academic viability will not be impaired as a result
 - The institution can demonstrate the value to be generated by the transaction, whether it involves refinancing, or purchase of any new investment or assets, the acquisition of which is to be financed by the borrowing
 - The institution can demonstrate that any such new investment or asset acquisition is in accordance with the institution's strategic plan and, where appropriate, its estate strategy.

² The level of tuition fees in 2014-15 for full-time undergraduate first degree students is £1,820. The same fee applies for PGDE and PGDipCE courses. A higher medical fee of £2,895 applies only to continuing students.

For full-time higher education courses at sub-degree level, a fee of £1,285 should be charged.

³ At the moment, this £9,000 limit is not set by legislation but will be once an order is made under section 9D of the Further and Higher Education (Scotland) Act 2005 (as inserted by the Post-16 Education (Scotland) Act 2013.).

17. For the purposes of this document, 'capital finance' includes borrowing, finance and operating leases, and other schemes, such as private finance initiative projects, non-profit distribution projects, loan support projects and revolving credit facilities where borrowing is the substance of the transaction, in line with relevant accounting standards.

When the Council's formal consent is required in respect of capital finance arrangements

18. The institution must obtain prior written consent from SFC before it undertakes a level of capital finance where the annualised costs of all capital finance (being the sum of the servicing and capital repayment costs of each loan or other arrangements spread evenly over the period of the relevant loan or arrangement) would exceed 4% of
- Total income as reported in the latest audited financial statements; or
 - The estimated amount of total income for the current year, if that is lower.
19. In assessing total capital finance commitments, the institution must ignore low-value financial commitments, provided that the combined annualised servicing costs of such financial commitments do not exceed 0.5% of total income.
20. A revolving credit facility should typically be considered in the same way as an overdraft facility; for example, in terms of the institution's maximum exposure over the term of the facility. An even annual cost of capital finance is assumed, unless the institution can demonstrate otherwise. The institution is required to provide the annualised cost of the capital finance calculation with any request to SFC for borrowing consent.
21. The institution must also seek consent from SFC before raising capital finance on the security of assets in which the Scottish Ministers have an interest. For the purposes of this document, such an interest exists where the institution has used funds provided by the Scottish Ministers to acquire an interest in or to develop any land, building or other asset, and where those funds were provided subject to a condition which has the effect of requiring the institution to obtain the Scottish Ministers' consent before raising capital finance on the security of those assets.
22. The Scottish Ministers have directed that SFC will exercise their functions in relation to any such interests.
23. In seeking SFC's approval, the institution must demonstrate to SFC, in writing, its compliance with the requirements set out above.

Disposal of exchequer funded assets

24. In disposing of exchequer funded assets, the institution must follow the guidance in the relevant procedure notes on the SFC website as amended from time-to-time.

Granting of security

25. As a result of a condition in SFC's Framework Document with the Scottish Government, the institution is required to seek SFC's prior written consent if it intends to offer as security for a loan any land or property which has been provided, improved, or maintained with the aid of grant.

Contingent commitments

26. The institution must seek SFC's prior written consent if it intends to lend or give a guarantee, indemnity or letter of comfort. The value of the guarantee should be equal to the total contingent liability over the term of the guarantee. In all cases, the institution must take steps to restrict the contingent liability to a minimum and should undertake a careful appraisal of the risks before accepting any contingent liability.

27. The institution must also provide assurance that, in the event of the contingent liability arising, it can be met from within the institution's own resource, or that appropriate insurance cover has been arranged.
28. However, SFC's written consent is not required for such arrangements if:
- An actual or effective value is less than 4% of total income as reported in the latest audited financial statements or of the estimated amount of total income for the current year if that is lower; or
 - The indemnity is of a standard type contained in contracts and agreements for 'day-to-day' procurement of goods and services in the normal course of business.

Severance payments

29. The institution must adhere to the following principles when taking decisions about severance payments, including settlement agreements:
- The actions of those taking decisions about severance payments, and those potentially in receipt of such payments, must be governed by the standards of personal conduct set out by the Committee on Standards in Public Life (the Nolan Principles)
 - The governing body must take account of SFC's expectation of the institution in this FM regarding the use of public funds
30. Based on the principles above, the following requirements must be met:
- The institution must have in place a clear policy on severance payments
 - Severance packages must be consistent with the institution's policy and take into account contractual entitlements, for example, salary and period of notice, and any applicable statutory employment entitlements. This means that, when entering into employment contracts, care must be taken not to expose the institution to excessive potential liabilities
 - The institution's policy must include a formal statement of the types of severance arrangements that should be approved by the Remuneration Committee or equivalent and approved formally by the governing body. These must include any severance package that is proposed for a member of the senior management team, in recognition of the particular level of accountability that is attached to senior management positions, and also any severance package that would exceed a maximum threshold agreed by the governing body
 - Where a severance package exceeds the maximum threshold agreed by the governing body, the institution must consult with SFC's Accountable Officer prior to approving the proposed severance package
 - The remuneration committee or equivalent, when overseeing and approving severance arrangements for staff, must ensure that all decisions are recorded
 - Negotiations about severance packages and payments must be informed, on both sides, by legal advice where appropriate
 - When a severance arises following poor performance on the part of an individual, any payment must be proportionate and there should be no perception that poor performance is being rewarded
 - Final year salaries must not be inflated simply to boost pension benefits
 - Notice of termination of appointments must not be delayed in order to generate entitlement to payments in lieu of notice
31. The institution must ensure its internal auditor includes a regular review of systems for the determination and payment of severance settlements in their strategic audit plan.
32. The institution must seek the view of its external auditor if it plans to make what it considers to be any novel or potentially contentious severance payments, including those that exceed the

maximum threshold agreed by the governing body.

33. The institution's external auditor must review severance settlements. Such a review will normally take place after settlements have been agreed (normally as part of their financial statements audit) and should be carried out by senior audit staff because of the complexity and sensitivity of the issues. If final settlements do not materially conform to the terms of this FM, auditors must report the facts to the institution in their management letter, and inform members of the governing body. The auditors should also recommend that the institution informs the SFC immediately.
34. Where there are settlement agreements, and it is felt that a confidentiality clause is necessary, this must not prevent the public interest being served and must be consistent with the institution's whistleblowing policy.

Audit and accounting

35. The governing body must appoint an audit committee and ensure the establishment and maintenance of effective arrangements for the provision of internal and external audit.
36. The Audit Committee must produce an annual report to the governing body of the institution.

Accounts direction

37. The institution must follow the SFC's current Accounts Direction in the preparation of its annual financial statements.

Internal audit

38. The institution must have in place an effective internal audit service. The operation and conduct of the internal audit service must conform to the professional standards of the Chartered Institute of Internal Auditors.
39. The institution must inform SFC when an internal auditor is appointed and must inform SFC immediately if the internal auditor is removed or departs before the end of their term of office.
40. The internal audit service must provide the governing body and senior management of the institution with an objective assessment of adequacy and effectiveness of risk management, internal control, governance, and value for money.
41. The internal audit service must extend its review over all the financial and other management control systems, identified by the audit needs assessment process. It must cover all activities in which the institution has a financial interest, including those not funded by SFC. It must include review of controls – including investment procedures – that protect the institution in its dealings with organisations, such as subsidiaries or associated companies, students' unions, and collaborative ventures or joint ventures with third parties.
42. The head of internal audit must produce an annual report for the governing body on its activities during the year. The report must include an opinion on the adequacy and effectiveness of the institution's risk management, internal control, and governance. The report must be presented to the institution's audit committee and a copy sent to SFC.

Value for money

43. The institution must have a strategy for reviewing systematically management's arrangements for securing value for money.
44. As part of its internal audit arrangements, the institution must obtain a comprehensive appraisal of management's arrangements for achieving value for money.

External audit

45. The external auditor must be entitled to receive all notices of and other communications relating to any meeting of the governing body which any member of the governing body is entitled to receive. They must also be entitled to attend any such meeting and to be heard at any meeting which they attend, on any part of the business which concerns them as auditors.
46. The external auditor must also be entitled to attend the meeting of the governing body or other appropriate committee at which the institution's annual report and financial statements are presented.
47. The external auditor is expected to attend, as a minimum, any meetings of the audit committee where relevant matters are being considered, such as planned audit coverage, the audit report on the financial statements and the audit management letter. It is the responsibility of the secretary to the audit committee to notify the external auditor of such meetings.
48. The external auditors, notwithstanding responsibilities to their clients, are expected to co-operate fully with any enquiries or routine monitoring that the SFC undertakes.
49. The institution must not in any way limit SFC's access to the institution's external auditors.

External audit reporting requirements

50. The institution must ensure that its contracts for external audit make provision for an opinion on whether the institution has applied income, where appropriate, in accordance with this FM and whether SFC grants have been used for the purposes for which they were received. Guidance on the wording is set out below.
 - a. The institution must ensure that its contracts for external audit make provision for an opinion on whether the institution has applied income, where appropriate, in accordance with this FM and whether SFC grants have been used for the purposes for which they were received. Guidance on the wording is set out below. The financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the institution's affairs, and of its income and expenditure, recognised gains and losses, and statement of cash flow for the year. They should take into account relevant statutory and other mandatory disclosure and accounting requirements, and SFC requirements.
 - b. The financial statements have been properly prepared in accordance with the Statement of Recommended Practice (SORP) on Accounting in Further and Higher Education, and the Companies Act, where relevant, and any other legislative or regulatory requirements.
 - c. Funds from whatever source administered by the institution for specific purposes have been applied properly to those purposes and, if relevant, managed in accordance with relevant legislation, and any other terms and conditions attached to them.
 - d. Funds provided by Scottish Funding Council have been applied in accordance with the requirements of the SFC Financial Memorandum with Higher Education Institutions.