

For discussion

Annual review of key governance documents

Agenda: 12
HEFCW/18/89

Disclosable

15/11/2018

1 Issue

1.1 Council is invited to carry out the annual review of its key governance documents.

2 Corporate Planning Implications / Rationale for paper

2.1 As part of its governance effectiveness arrangements, the Council reviews annually each of its key corporate governance documents and also receives a report on the documents sealed during the year using the Council's official seal.

3 Recommendations

3.1 The Council is invited to:

- i. review its key corporate governance documents and approved the proposed amendments;
- ii. note the annual report on the application of the Council's official seal.

4 Timing for decisions

4.1 There are no particular timing implications for any of the proposals in the paper.

5 Council members' interests

5.1 No conflicts of interests have been declared in advance of the meeting.

6 Further information

6.1 Contact Dale Hall (029 2085 9665; dale.hall@hefcw.ac.uk)

7 Review of corporate governance documents

7.1 The Council's key governance documents are available on the Extranet, at Home > Council members.

7.2 *Scheme of Delegation*

The Council last approved revisions to its Scheme of Delegation at its meetings in November 2016 and March 2017. These amendments were designed to achieve consistency with the Statement of Intervention, and to remove from the list of delegations reserved for the Council references to fee grant payments. No further amendments to the Scheme of Delegation are proposed at this time.

7.3 *Standing Orders for the Conduct of Council Business*

The Council last revised its Standing Orders at its meeting in July 2016, to include reference to the sustainable development principle in the Well-being of Future Generations (Wales) Act 2015. Following this year's review, a number of further revisions to the Standing Orders are proposed, including:

- A bespoke section (6) for the Standing Order relating to the Nomination of Deputy Chair, and proposed amendments to the wording to further clarify the process. The revised text includes two options for the first sentence for Council to consider.
- A new Standing Order (7.1) outlining in broad terms the responsibilities of the Chair with respect to Council meetings.
- Removal of Standing Orders 9.1 to 9.4 as these are covered by the *Code of Conduct for Members of HEFCW*.
- Some amendments to Standing Order 11 on Council Committees, including a proposal to refer by name only to the two committees required by statute and by the Framework Document.
- Replacement of Standing Order 12 with a more general statement about the Council's partnership working arrangements.

Council is invited to approve the revised *Standing Orders for the Conduct of Council Business* at Annex A.

7.4 *Code of Conduct for Members of HEFCW*

The current *Code* is based on the Cabinet Office's *Code of Conduct for Board Members of Public Bodies*, produced in June 2011. The Council noted at its meeting in November 2017 that it was intended to review the *Code* against the new *Terms and Conditions for Appointment as Member of the Higher Education Funding Council for Wales* that were being developed by the Welsh Government. The revised *Terms and Conditions* were issued by Welsh Government to new Council member appointments from December 2017. They include, at Schedule 2, a *Code of Conduct for Board Members of Public Bodies in Wales* (see **Annex B**). The Welsh Government *Code of Conduct* is similar to the Cabinet Office one, but some sections have been expanded and are worded slightly differently (e.g. 'Political Activity'; 'Relationships with Employees'); the ordering of the sections is slightly

different; and where appropriate the *Code* includes Wales-specific references, such as to *Managing Welsh Public Money*).

The HEFCW *Code of Conduct for Members* has been revised to mirror the wording in Welsh Government Code, and also to incorporate a number of cross-references to relevant text within the revised *Terms and Conditions*.

Council is invited to approve the revised *Code of Conduct for Members of HEFCW* at Annex C.

7.5 *Committee Standing Orders*

The Council agreed revisions to the Committee Standing Orders at its meeting on 21 March 2018 (paper HEFCW/18/23 refers). No further amendments to the Committee Standing Orders are proposed at this time.

7.6 *Financial Regulations*

The Financial Regulations are due to be reviewed by the Audit and Risk Assurance Committee at its next meeting on 11 December. Any proposed changes will be brought to the Council's meeting in January 2019 for approval.

8 Annual report on application of the Council's official seal

8.1 Standing Order 10.5 requires an annual report to Council on the documents sealed during the year using the Council's official seal. Since the Council last received this equivalent report at its meeting in November 2017, and up to 8 November 2018, no documents have required application of the Council seal.

9 Council self-assessment review

9.1 The Council has historically conducted detailed self-assessment effectiveness reviews of its governance processes once every three years. The outcome of the last such review was considered by Council at its Workshop in May 2015. The Council will be reflecting on its current governance arrangements as part of its Workshop discussions on 14 November.

10 Financial implications

10.1 There are no immediate financial implications arising from the issues or recommendations set out in this paper.

11 Communications implications

11.1 When any of the Council's corporate governance documents are reviewed and revised, updated versions are posted to the Extranet and website.

12 Diversity and Equal Opportunities implications

12.1 This paper has no implications for age, disability, marital/civil partnership, maternity/pregnancy, race, religion or belief, sex, sexual orientation, any other protected characteristic or Welsh Language.

13 Risk Assessment

Risk	Action to address risk
<p>Council's corporate governance arrangements not documented, monitored or further developed to reflect recognised best practice.</p>	<p>Council has agreed: Code of Practice for Members; Standing Orders; Scheme of Delegation; Committee Standing Orders; Financial Regulations; and individual remits for each of its committees. These documents are reviewed annually.</p>
<p>Council not following recognised best practice by conducting regular reviews of its governance arrangements and effectiveness.</p>	<p>The Council ensures that it is following best practice in a number of ways:</p> <ul style="list-style-type: none"> • Written corporate governance procedures on the operation of Council business and the conduct of Council members; • Regular self-assessment effectiveness reviews, and reviews of the Council's committee structure; • Annual one-to-one review discussions between the Chair and each Council member, and a formal review at the end of each member's term of office submitted to the Welsh Government; • An externally commissioned Stakeholder Survey every three or four years.