

GOVERNANCE HANDBOOK

**For members of Court and
Academic Council**

Contents

1. Introduction	3
2. About the University	3
2.1 University Governance	3
2.2 Strategy	4
2.3 Organisational Structure	4
2.4 Committee Structure	7
3. Court	9
3.1 Court Responsibilities	9
3.2 Members of Court	11
3.3 Recruitment and appointment of new members	12
3.4 Induction	13
3.5 Conduct of Court	14
3.6 Equality and Diversity	15
3.7 Charity Trustees	16
3.8 Court Meetings	16
3.9 Court Standing Orders	17
3.10 Declaration of Interest	17
3.11 Schedule of Delegations/Reservations	18
4. Academic Council	19
4.1 Academic Council Responsibilities	19
4.2 Members of Academic Council	20
4.3 Academic Council Meetings	20
4.4 Academic Council Standing Orders	20
5. Finances	21
5.1 Sources of Income	21
5.2 Financial Memorandum	23
6. Audit	24
6.1 Audit Committee	24
6.2 Risk	25
7. Students' Union	25
8. Public Interest Disclosure (Whistleblowing)	26
9. Useful Links	26

1. Introduction

Members of the University Court and Academic Council have a crucial role to play in the University. It is essential that they understand what this is and how their work interacts with that of other University bodies and officers. This handbook, along with induction programmes and other events organised for members, is intended to help them to make the most effective contribution to the University.

The handbook cannot cover everything that Court and Academic Council members may need to know and is designed as a summary document. The end of this document contains links to some key references that can be used to obtain further background information particularly in relation to University governance and it is recommended that members take the time to look up these documents.

2. About the University

2.1 University Governance

The University is a legally independent corporate institution founded by Royal Charter in 1967 for *“the advancement and diffusion of learning and knowledge”*. The Charter sets out detailed objects and powers to assist the University as *“a body for the purposes of teaching, examining and the promotion of research”*. The Charter and Statutes may only be amended with the consent of HM the Queen in Council.

Currently only four of the 19 Scottish universities recognised by Universities Scotland that are governed by Royal Charters (Heriot-Watt, Dundee, Strathclyde and Stirling) and of these, only one, Stirling, was an entirely new creation. Generally, chartered corporations have all the powers of a natural person plus those specifically granted in the Charter.

The Charter provides that there shall be a Court of the University which (subject to the rights of the Academic Council) shall be the Governing body of the University with *“all such powers and duties”* necessary for the discharge of its functions. The Charter also provides that there shall be an Academic Council which (subject to the powers of the Court) shall be responsible for the academic work of the University as explained in more detail below.

The Charter also states that there shall be a Chancellor and a Principal and makes provision for the discharge of the functions of these posts in the absence of the office-holder or during a vacancy. The existence of the other offices and appointments mentioned is regulated not by the Charter itself but by the Statutes. Statutes provide for the appointment by the Court of the Secretary, University’s Auditors and academic and other staff.

The Court as the governing body is responsible for making Ordinances to give detailed effect to provisions of the Charter and Statutes and for ensuring that the provisions of the Charter and Statutes are adhered to. It also has direct responsibilities laid upon it by Act of Parliament (and Acts of the Scottish Parliament) and subordinate legislation in such fields as health and safety, employment protection, relationship with the Scottish Funding Council (SFC); governance, fair and democratic operation and prevention of discrimination on all the protected grounds.

It is however important to recognise that in exercising its power of contract, for example, the Court should be aware of the supervening provisions of the Charter and Statutes. It is not, for example, considered legitimate for the Court to override the terms of Statute 7 (The Auditors) by adopting any code of practice inconsistent with that Statute.

A full copy of the University Calendar containing the Charter, Statutes and Ordinances is available at: <https://www.stir.ac.uk/about/faculties-and-services/policy-and-planning/university-calendar/>

2.2 Strategy

The University of Stirling Strategic Plan 2016-2021 sets out the University's objectives and articulates our vision, institutional priorities and the actions required to succeed.

Our vision is to be recognised across the world as a University that addresses the needs of society through innovation interdisciplinary research; learning and teaching of the highest quality; and by sharing our knowledge with the world.

Our objectives are to have an international outlook at the heart of everything we do and we have identified a set of overarching institutional objectives that will help us focus on the practical steps needed to achieve our goals and to establish the University in the global top 200:

- Be one of the top 25 universities in the UK
- Increase our income by £50 million
- Enhance our research profile by 100 percent

A copy of the current Strategic Plan is available at: <https://www.stir.ac.uk/about/our-vision/our-strategy/>

2.3 Organisational Structure

The University's definition of "Officers" (Statute 1) is restricted to the Chancellor, the Principal and Vice-Chancellor, the Secretary and holders of such other designated appointments as determined by the Court. There are no such appointments currently designated. Other staff who might be considered to be 'officers' such as the Director of Finance or Director of Estates, are Members of Staff in terms of the Statutes and not subject to any particular regulations. Deputy Principals, Deans of Faculty and similar posts are 'appointments' within the terms of the Statutes and the arrangements for the institution of such appointments are prescribed in Ordinances as required by the Statutes. The Chair of Court is not an Officer of the University.

Chancellor

The Chancellor is Head of the University. He/she is appointed by the Court and holds office for five years and can be reappointed for a further five years. His/her main responsibility is the conferment of degrees. The Charter does require that Diplomas or Certificates be conferred by the Chancellor (or Vice-Chancellor).

Principal and Vice-Chancellor

The Principal and Vice-Chancellor is the 'Chief Academic and Administrative Officer' of the University. He/she presides over the Academic Council and as Vice-Chancellor deputises for the Chancellor and, in his/her absence confers Degrees.

The Principal is also responsible by Statute for *'the effective working and good order of the University*. In effect the Principal is the Chief Executive of the University. The Principal has overall responsibility for the executive management of the University, and, as the Court has general responsibility for the conduct of the affairs of the University, is accountable to the Court for the discharge of his or her responsibilities.

The Principal is designated as the principal officer of the University for the purposes of the Financial Memorandum with Scottish Funding Council (SFC) and as such is responsible for ensuring that the University complies with the terms and conditions specified by SFC for the use of its funds.

The role of Principal should be seen as separate from that of the Court. The Court is responsible for determining the overall strategic direction of the University. It establishes the budgetary framework, appoints the Principal (in conjunction with the Academic Council) and exercises general oversight over the institution's performance and development. The Principal is responsible for the executive management of the University and its day-to-day direction. The Principal should not seek to determine matters reserved for the Court unless the Court has in the exercise of its powers under Statute, formally delegated them to the Principal (or any other Member of the University).

Although the Principal's functions as the principal Academic and Administrative officer are defined in the Charter and Statutes in a limited way (i.e. responsibility for the effective working and good order of the University), in practice the responsibilities of the post may broadly be defined as:

- (i) implementing the decisions of Court or ensuring that they are implemented through the relevant part of the University's management and administrative structure;
- (ii) initiating discussion and consultation including, where appropriate, consultation with the staff and the Academic Council on proposals concerning the University's future development and ensuring that such proposals are presented to the Court;
- (iii) fulfilling the duty, as the officer designated by the Court under the terms of the Funding Council's Financial Memorandum, to alert the Court if any actions or policy under consideration would be incompatible with the terms of the Financial Memorandum; and informing either the Chief Executive of the Scottish Funding Council or other appropriate officer if the Court nevertheless decides to proceed;
- (iv) exercising academic leadership and promoting the strategic development of the University.

Further detail relating to the Scottish Funding Council's Financial Memorandum is provided in the Finances section of this document.

Secretary

The Secretary is appointed by the Court *"after consultation with the Academic Council"*. The Secretary is responsible for providing the secretarial services for all University bodies and, under the direction of the Principal, for the administration of the University. The Statutes state that the Secretary *'shall receive...any money or property payable or deliverable to the University, and*

the Secretary's receipt shall be sufficient discharge for the same.' This makes it clear that the University operates what is known as a 'unitary administration'.

The Secretary is assisted by ten senior members of administrative staff. They are directors of: Finance, Estates, Information Services, Advancement, Human Resources & Organisation Development, Research & Innovation Services, Sport, Commercial Services, Communications, Marketing & Public Engagement, and the Deputy Secretary.

The University Secretary has a key role to play in the operation and conduct of the Court and ensuring that appropriate procedures are followed. He/she is appointed by the Court.

The Secretary must exercise care in maintaining a separation of his/her administrative functions with the Court responsibilities. Irrespective of any other duties that the Secretary may have within the institution, when dealing with Court business the Secretary will act on the instructions of the Court itself. The Secretary should therefore have a direct reporting link to the Chair of Court for the conduct of the governing body business.

The Chair and members of the Court should look to the Secretary for guidance about their responsibilities under the charter, statutes and ordinances including legislation and the requirements of the Scottish Funding Council, and on how these responsibilities should be discharged.

It is the responsibility of the Secretary to alert the Court if he/she believes that any proposed action would exceed the Court's powers or be contrary to legislation or to the Funding Council's Financial Memorandum. Although the Principal is formally responsible for alerting the Court if any action or policy is incompatible with the terms of the Financial Memorandum this does not absolve the Secretary from having this responsibility as well.

The Secretary should be solely responsible for providing legal advice to or obtaining it for the governing body, and advising it on all matters of procedure. He/she should advise the Chair in respect to any matters where conflict, potential or real, may occur between the governing body and the Principal. The Secretary should also ensure that all documentation provided for members of the governing body is concise and its content appropriate.

It is incumbent on the Court to safeguard the Secretary's ability to carry out these responsibilities. It is important that the Secretary also both consults and keeps the Principal fully informed on any matter relating to Court business (other than in relation to the remuneration committee's consideration of the Principal's salary and compensation package). It is good practice for the Chair of the Court, the Principal and the Secretary to work closely together within the legal framework provided by the University's Charter and Statutes, the Scottish Code of Good Higher Education Governance and the Scottish Funding Council's Financial Memorandum. If this is not possible because of inappropriate conduct by one of the parties involved, it is the responsibility of the Court to take appropriate action.

Deans of Faculty

Deans of Faculty are regarded as part of the Senior Management Team of the University. There are five faculties:

- Faculty of Arts and Humanities
- Faculty of Natural Sciences
- Faculty of Social Sciences
- Stirling Management School
- Faculty of Health Sciences and Sport

The Deans of Faculty are the senior academic officer in each faculty and are responsible for all aspects of its academic performance. They are also accountable for planning and financial control, HR management, workload management and governance compliance. The Deans of Faculty report to the Senior Deputy Principal.

Institutional Deans

Institutional deans may be appointed by the Principal to lead on strategic priorities. The report to the relevant deputy principal on their institutional responsibilities.

Details of current post holders for all the posts described above can be found at: <https://www.stir.ac.uk/about/our-people/senior-officers/>

2.4 Committee Structure

A diagram of the Committee structure is available at: <https://www.stir.ac.uk/media/stirling/services/policy-and-planning/documents/CommitteeDiagram.pdf>

Committees must take care not to exceed their terms of reference and are advised in this regard by their individual secretaries who are appointed by or on behalf of the University Secretary. To avoid the risk of having their acts challenged as invalid, committees exercising delegated powers must be quorate when a decision is made. Unless otherwise specified this is 50% of the current members.

All committees are provided with a clear remit which state clearly the extent and limits of the committee's responsibilities and authority. Current remits for all these committees can be seen at: <https://www.stir.ac.uk/media/stirling/services/policy-and-planning/documents/committee-remits-compositions-chairs-and-secreteries.pdf>.

Joint Policy, Planning & Resources Committee (JPPRC)

The Joint Policy, Planning & Resources Committee is a joint committee of both Court and Academic Council and reports regularly to both bodies. Its primary responsibilities include considering the Strategic Plan and ensuring that all strategies are aligned and progress is evaluated against objectives. The Committee advises Court on policy and resource issues including scrutinising new or revised policies. JPPRC also has a role in advising Court on the financial position of the University, recommending the annual budget and monitoring financial performance. The Capital Plan is also regularly scrutinised by the Committee.

The composition of JPPRC includes five lay members of Court of which one is the Chair of Court. The academic representatives on the Committee are nominated by Academic Council.

Remuneration Committee

The Court has established this Committee to determine and review the salaries, terms and conditions (and, where appropriate, severance payments) of the Principal and University Secretary and to advise the Principal in his/her annual review of the salaries etc of professorial and other senior staff. The Committee is chaired by the Vice-Chair of Court and other members are the Chair of Court, the Chair of the Joint Policy and Planning Committee, a further nominated lay member of the University Court, a student member of Court and a staff member of Court.

The Committee seeks comparative information on salaries and other emoluments and conditions of service in appropriate comparator universities. Two sources of information are available: the Committee of University Chairs has a database of emoluments and conditions of service of heads of institutions (currently available only to chairs of governing bodies) and the Universities and Colleges Employers' Association (UCEA) collects data on the salaries of other highly-graded staff.

The Remuneration Committee's reports to the Court should provide sufficient detail of the broad criteria and policies against which decisions have been made.

Governance & Nominations Committee

The Governance & Nominations Committee is responsible for the recruitment of lay (independent) members of Court and makes recommendations to Court concerning the appointment of all members of Court. The Committee also manages the process of recruiting, electing and appointing the Chair of Court. The Committee advises Court on matters relating to the University's framework for corporate governance. The membership of the Committee is prescribed by Ordinance 62. The Ordinance specifies that the Committee is chaired by the Chair of Court, other members include the vice-chair of Court, the Principal, the Senior Deputy Principal, lay members of Court and both academic and student members of the Court.

Vacancies for lay members to be appointed by the Committee are periodically publicised (including a job specification and a clear indication of the skills, knowledge and experience required) within and outside the University. The Committee in making its appointments pays regard to the balance of membership on the Court and the needs of the University for expertise in important areas of its operation.

A number of University committees have positions on them that are filled by members of Court or Academic Council. Membership of other committees provides a particular opportunity for members to contribute their expertise to other areas of the institution. In seeking lay members, the Governance & Nominations Committee has regard to the desirability of acquiring and maintaining expertise and continuity in major areas (finance, personnel, estates) when appointing new members or re-appointing existing members.

Committees that have **Court** members on:

- Academic Advancement and Promotions Committee
- Governance & Nominations Committee

- Joint Policy, Planning & Resources Committee
- Remunerations Committee
- Audit Committee
- University Research Ethics Committee

In addition from time to time there are ad hoc working groups that require a member of Court within their membership. The Chair of Court is also on a number of committees in an ex-officio position.

Both Court and Academic Council have to nominate members for other committees which may or may not be from amongst their own members so there are also Court and Council members on other committees.

Audit Committee

For details of the Audit Committee see section 6.

Education & Student Experience Committee (ESEC)

ESEC acts under delegated authority from Academic Council. The Committee provides key strategic institutional oversight and leadership of academic quality and enhancement, in respect to education, learning and teaching and the student experience.

There are a series of committees and panels that report to ESEC which deal with academic quality standards, learning & teaching, disciplinary cases, complaints and appeals.

3. Court

3.1 Court Responsibilities

As explained in section 2, the Court is the executive governing body of the University. It is responsible for the University's finances and investments and for the management of the University estate and buildings. It has authority to make contracts on behalf of the University and to enter into loans and mortgage agreements. Subject to the powers of the Academic Council in academic matters, the Court has responsibility for the conduct of all the affairs of the University. The Court carries out many of its functions through committees detailed under the Committee Structure section above.

The main formal responsibilities of the Court are set out in the Statutes. They include:

- (i) governing, managing and regulating the finances, accounts, investments, property, business and all affairs whatsoever of the University subject to the powers of the Academic Council on Academic matters
- (ii) appointing bankers, staff and agents;
- (iii) keeping books of account in a proper manner so as to give a true and fair view of the state of the University's affairs and to explain its transactions;
- (iv) selling, buying and leasing property;
- (v) providing premises and equipment necessary for carrying on the work of the University;
- (vi) borrowing money and granting security;
- (vii) entering into and varying contracts;
- (viii) providing for the welfare of all staff including payment of pensions

- (ix) providing for the welfare of students.

Additional responsibilities, or those which may be derived from the formal responsibilities set out in the Charter and Statutes which have been identified by the Funding Council and reinforced by reports of the Committee on Standards in Public Life, the National Audit Office, etc. include:

- (i) Ensuring the proper conduct of public business: the Court is entrusted with funds (both public and private) and therefore has a particular duty to observe the highest standards of corporate governance. This includes ensuring and demonstrating integrity and objectivity in the transaction of its business, and wherever possible following a policy of openness and transparency in the dissemination of its decisions.
- (ii) Enabling the University to achieve and develop its primary objectives of teaching and research: this responsibility includes considering and approving the University's strategic plan which sets the academic aims and objectives of the University and identifies the financial, physical and staffing strategies necessary to achieve these objectives. The Court is assisted in this area by the Joint Policy, Planning and Resources Committee.
- (iii) Monitoring the performance of the University against its planned strategies and operational targets.
- (iv) Ensuring the solvency of the University, safeguarding its assets, approving financial strategy, annual operating plans and budgets which reflect the University's strategic plan.
- (v) Ensuring that Funding Council grants etc. are used in accordance with the terms and conditions in the Scottish Funding Council's Financial Memorandum (see section 5.2).
- (vi) Ensuring the existence and integrity of financial control systems and monitoring these through the Audit Committee.
- (vii) Receiving and approving the annual financial statements which are presented to the University Conference.
- (v) Directing and overseeing the University's arrangements for internal and external audit.
- (vi) Overseeing the strategic management of the University's land and building.
- vii) Considering, approving and keeping under review an estate strategy which identifies the property and space requirements needed to fulfil the objectives of the University's strategic plan, and also provides for a planned programme of maintenance.

The University has charitable status. It is the responsibility of the Court to ensure that the property and income of the University are applied only in support of purposes which are charitable in law. The Court is entitled to rely on the professional advice of its officers to identify circumstances in which charitable status of the University may be put at risk. See also section 3.6 on charity trustees.

Whilst the Court will rely on the Principal to discharge the ongoing responsibilities for the operational management of the University and to offer guidance to Court on issues coming before it, Court has a particular concern for the strategic development of the University. At appropriate intervals, Court considers and approves the University's Strategic Plan which then influences and guides all decisions coming before it.

In order to ensure that Court is operating effectively Court conducts a formal and rigorous review of its own effectiveness every few years. Effectiveness is measured against the Scottish Code of Good HE Governance (see Section 9 for link) and the Statement of Primary

Responsibilities: <https://www.stir.ac.uk/media/stirling/services/policy-and-planning/documents/Statementofprimaryresponsibilities.pdf>. The review includes a look at the structure of Court and its processes.

3.2 Members of Court

[N.B. REVISIONS TO STATUTE 9 DETAILING COURT MEMBERSHIP IS CURRENTLY GOING THROUGH AN APPROVAL PROCESS WITH THE SCOTTISH GOVERNMENT AND PRIVY COUNCIL - Details below will be updated shortly]

The University Statutes prescribe the composition of the Court. Whilst lay (independent) members are in the majority, internal University members are a significant minority. This provides the lay members with a range of opportunities to be exposed to perceptions from across the University community.

The membership of Court is prescribed in Statute 9 by class of appointment and includes:

- (i) The Principal.
- (ii) One member nominated by the Chancellor.
- (iii) The Senior Deputy Principal.
- (iv) Six members appointed by the Academic Council.
- (v) The Convener of Stirling Council, whom failing, the Vice- Convener of Stirling Council.
- (vi) The President and the Vice-President Communities.
- (vii) Up to twelve members appointed by a Court Appointments Committee including one representing alumni
- (viii) One member appointed by the Staff Assembly, not being a member of the Academic Staff.

The Principal and Senior Deputy Principal also hold appointment *ex officio* and are counted among the academic membership for the purposes of the Standing Order quorum rules. All the categories of membership are fixed by the Statutes and cannot be varied without the consent of the Privy Council.

Following the Scottish Parliament approval of the Higher Education Governance (Scotland) Act 2016 a number of changes will be required to the Court membership including the addition of two members nominated by trade unions, two elected members of staff and two nominated student members. Consent for the required changes to the Statutes will be submitted to the Privy Council in due course.

The Court has a total of 25 members and currently meets four times a year, with a Special Meeting/Court Away day to discuss strategic issues normally held once a year.

The Chair of Court (or Vice-Chair in his/her absence) is responsible for the leadership of the Court and ultimately to the stakeholders for its effectiveness. As chair of its meetings the Chair of Court should promote its wellbeing and efficient operation, ensuring that its members work together effectively and have confidence in the procedures that have been laid down for the conduct of business. The Chair of Court should take particular care that the Court observes the Nine Principles of Public Life in Scotland applicable to public bodies in Scotland (see section 3.5) and that committees which play a central role in the proper conduct of the Court's business report appropriately to the Court. The Chair of Court should also ultimately be responsible for

ensuring that the Court operates in an effective manner, discusses those issues which it needs to discuss, and dispatches its responsibilities in a business-like way.

Through leadership of the Court, the Chair of Court plays a key role in the business of the University but should take care not to be drawn into the day-to-day executive management of the University. A critical element in the effectiveness of the Court and of the University is the establishment of a constructive working relationship between the Chair of Court and the Principal. The relationship should be mutually supportive and also incorporate the checks and balances imposed by the different roles which each has within the University's constitutional framework.

It is the responsibility of the Chair of Court to appraise on an annual basis the performance of the Principal and to take account of other members of Court. In turn the Vice-Chair of Court is responsible for seeking views of the Court members on the performance of the Chair of Court and to meet with the Chair to feedback comments on his or her performance.

Like the Chair of Court, lay or independent members of the Court should also take care not to become involved in the day-to-day executive management of the University. As Court members, this also applies to the staff and student members of Court, except that in the course of their employment or, in the case of student members, in their activities as students or leaders and managers of the Students' Association, they may have executive responsibilities of some kind within the University.

Court is composed of nominees of different interest groups (Academic Council, Staff Assembly, graduates, students) as well as independent members appointed by Court itself, or holding membership *ex officio* (such as the Principal, Senior Deputy Principal and the Provost of Stirling). Once appointed all members have the same responsibilities, obligations and rights and are expected to support and fully participate in all governing body business, unless a clear conflict of interest is identified.

As a general principle members nominated by particular constituencies should not act as if delegated by the group they represent. The Principal is, of course, required to report to the Court the views of the Academic Council and Staff Assembly which the Principal chairs. These special cases apart, members may not be bound, when speaking or voting, by mandates given to him/her by others. There is only one provision for proxy in the Charter and Statutes namely that the Vice-Provost of Stirling may substitute for the Provost.

3.3 Recruitment and appointment of new members [TO BE UPDATED WHEN REVISED STATUTE 9 IS APPROVED]

The description of the Governance & Nominations Committee (in the Committee section above) provides information about the appointment process for lay members of Court. The other largest constituents on Court are the members from Academic Council. Candidates for these positions are identified by Academic Council.

Continuity of membership, particularly of key members, is important but the principle of turnover and being able to call on new skills and ideas is also vital. The Statutes specify a limitation on appointment or reappointment only in specific cases:

i) the member appointed by the Chancellor can hold the appointment until the expiry of the term of office of the Chancellor by whom he/she was appointed but in the event of the Chancellor demitting office prior to this for any reason, the member will hold office until the new Chancellor appoints a new member and no longer.

ii) academic members may serve for a maximum of eight years.

The main body of lay members appointed by the Governance & Nominations Committee are in practice appointed for three years in the first instance. In accordance with the Scottish Code of Good HE Governance this can normally only be extended twice for a maximum term of nine years in total. The renewal of any appointment is not automatic and is considered by the Committee as part of its normal procedure of filling vacancies. After this point members should normally retire to permit the Committee to appoint new members. There is no bar to any member returning if a vacancy occurs in future years. Where a member is elected Chair of Court he/she would automatically begin a new term of membership.

The selection and appointment of the Chair of Court is now governed by the HE Governance (Scotland) Act 2016. The Act requires that a vacancy for the Chair of Court should be widely advertised and that all candidates that meet the minimum criteria should stand for election. The electorate being the members of Court, staff and students of the University. Following the election process Court make the final appointment of the Chair. The Statutes currently limit the maximum term of appointment to two periods of four years, with a gap of at least a further four years before he/she may be re-elected to the Chair. This means that a lay member of Court may still serve two terms of four years as its Chair regardless of previous service as a lay member.

3.4 Induction

It is the responsibility of the Chair of the Court, working with the Secretary, as appropriate, to ensure that all members of the Court when taking up office, are fully briefed on the terms of their appointment and are made aware of the responsibility placed on them for the proper governance of the University. Accordingly, all new lay and academic members participate in an induction programme. The aim of the induction programme is to explain the responsibilities of members, the function of Court and other bodies, the organisational structure, the operation of the main areas for which Court and its Committees have direct responsibility and the strategic objectives of the University.

Irrespective of attendance at the formal programme, all new members receive a copy of this guide which gives details of links to key documents such as the University Calendar, the Standing Orders, the Financial Memorandum with the Scottish Funding Council and the latest Strategic Plan. If members would like hard copies of any of these documents they should contact Policy & Planning (sacsadmin@stir.ac.uk).

It is also important that Members keep themselves informed of developments. Members of Court can access agendas and papers relating to the Scottish Funding Council from their website at www.sfc.ac.uk. Court Members will receive regular updates on recent developments in the External Environment at the court meetings.

The Advance HE (formerly Leadership Foundation for Higher Education) runs a Court members' development programme. This includes an induction seminar for new members of Courts which

is intended to supplement the University's own induction arrangements, as well as seminars for more experienced governors and ones on specific topics. From time to time members are sent details of the programmes available and are encouraged to attend sessions they think will be useful.

3.5 Conduct of Court

The Court is entrusted on behalf of the University with the administration of public funds and it has a particular duty to fulfil the highest standards of corporate governance at all times. This includes ensuring that it discharges its duties with due regard for the proper conduct of public business. While universities are not public bodies, the Nine Principles of Public Life in Scotland provide an appropriate and recognised definition of ethical and responsible behaviour for those involved in higher education governance. The Nine Principles, which incorporate the Nolan Principles for public life in the UK, are defined for members of public bodies in the Scottish Government's Model Code of Conduct for Members of Devolved Public Bodies.

The principles which all members of Court should observe are as follows:

- **Duty** – You have a duty to uphold the law and act in accordance with the law and the trust placed in you. You have a duty to act in the interests of the 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 interest of the institution. 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 institution when carrying out business including making appointments, awarding contracts or recommending individuals for rewards and benefits.
- **Accountability and Stewardship** – You are accountable for their decisions and actions to the public and the institution's stakeholders. You have a duty to consider issues on their merit, taking account of the views of others and must ensure that the institution 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 other duties clearly demand, such as the duty to protect personal and commercially sensitive information or to defend the wider public interest.
- **Honesty** – You have a duty to act honestly. You must declare any private interests relating to your duties and to take steps to resolve any conflicts arising in a way that protects the interests of the institution, the public and other stakeholders.
- **Leadership** – You have a duty to promote and support these principles by leadership and example, and to maintain and strengthen trust and confidence in the integrity of the institution.
- **Respect** – You must respect fellow members of your governing body and employees of the institution 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 the governing body.

In general terms members of Court should:

- Act honestly, diligently and in good faith.
- Be satisfied that a course of action proposed is in accordance with the University's Charter and Statutes.
- Not bind the University to a course of action which it cannot carry out.
- Ensure that the University does not continue to operate if it is insolvent.
- Seek to persuade colleagues by open debate and register dissent if they are concerned that the action would be contrary to any of the above.
- Avoid putting themselves in a situation where there is actual or potential conflict between their personal interests and those of the University.

If this advice is followed it is unlikely that personal liability could arise, particularly since the powers and responsibilities of the Court are exercised in a collective manner and decisions are made by formal minuted resolution. Moreover, the University is a separate legal entity, distinct from its members, including the Officers.

3.6 Equality and Diversity

Court plays a key role in embedding equality and diversity into the mission, strategy and culture of the University. Individual members play an integral part in supporting the equality and diversity objectives of the University and in helping to build a diverse and representative membership on Court and other committees. Court is responsible for:

- Embedding equality and diversity in the mission, strategy and decision making
- Shaping the approach to specific equality and diversity requirements
- Ensuring accountability for equality and diversity
- Compliance with equality law

The Equality Act 2010 is the main piece of anti-discrimination legislation and it covers nine protected characteristics (age, disability, gender reassignment, marriage and civil partnership (in employment), pregnancy and maternity, race (including nationality), religion and belief, sex and sexual orientation). Within the Act, the public sector equality duties (PSED) requires Universities, when carrying out their functions, to give due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation
- Advance equality of opportunity between people who share a protected characteristic and people who do not.
- Foster good relations between people who share a protected characteristic and people who do not.

The Scottish duties were introduced by the Scottish Government in 2012. They are designed to help public authorities demonstrate how they are meeting their responsibilities under the PSED. The specific duties for equality outcomes, mainstreaming, equality impact assessments and the requirement to report on gender balance on Court, are relevant for Court members. It is the responsibility of Court members to seek assurance that the University has appropriate infrastructure and resources to enable compliance with the Equality Act and the Scottish specific duties.

3.7 Charity Trustees

Members of Court are also formally Trustees of the University as a Charity under the Charities and Trustee Investment (Scotland) Act 2005. Charity trustees are defined as those responsible for the general control and management of the administration of a charity. Trustees need to ensure that the charity is administered effectively and is able to account for its activities and outcomes both to the Office of the Scottish Charity Regulator (OSCR) and the public. A charity trustee must:

- Act in the interests of the charity
- Seek, in good faith, to ensure that the charity acts in a manner which is consistent with its purposes
- Act with the care and diligence that it is reasonable to expect of a person who is managing the affairs of another person
- Ensure that the charity complies with the provisions of the Act and other relevant legislation.

Charity trustees are equally accountable for their organisation. They have a collective general duty of care for the charity, and they must all observe the requirements of the Act. Generally, charity trustees cannot delegate their responsibility to others, although they can delegate some of their functions. So, for instance, sub-committees or staff may well perform tasks and activities associated with these responsibilities. However, ultimate accountability remains with the charity trustee. Trustees need to ensure that anyone found guilty of serious or persistent misconduct or breaches of their duties no longer remains a charity trustee.

Under section 69 and 70 of the 2005 Act the following are disqualified from acting as charity trustees:

- Someone with an unspent conviction for dishonesty on 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.

Further details about the responsibilities of a charity trustee are available from the OSCR website (<http://www.oscr.org.uk/charities/managing-your-charity/trustee-duties>).

3.8 Court Meetings

Each year, the Court agrees a schedule of meetings which provides for four regular meetings held at quarterly intervals (allowing for the extended summer vacation) and arranged to coincide with particular reporting requirements such as, for example, (i) in December the approval of annual accounts for the Financial Year concluding in the previous July, for formal presentation to the Conference in February/March; (ii) in June the approval of plans and financial forecasts required by the Funding Council. The Academic Council and other committees arrange their meetings to ensure a smooth reporting flow to the regular meetings of Court. In addition the Court has a Strategy day/Court Away day to discuss strategic issues held once a year.

The Standing Orders of the Court (<https://www.stir.ac.uk/media/stirling/services/policy-and-planning/documents/StandingOrders.pdf>) provide for adequate notice of business to be

transacted to be given to Court. An agenda and papers for each meeting are issued approximately one week in advance of the meeting.

All decisions of the Court are minuted and both the unreserved agenda and minutes are made available widely in the University and to the wider public through publication on our website. There are some matters covered in Standing Orders where it is necessary to maintain confidentiality, usually matters concerning individuals or matters of commercial confidence but the number of matters covered by these restrictions is kept to a minimum.

Expenses

On the request of the Chair of Court, Court will be pay reasonable remuneration based on the nature and amount of work carried out. Other lay members of Court are not remunerated but they may claim such travelling and subsistence allowances for attendance at Court and Committee meetings or other duties carried out at the request of the Court as are payable to members of staff under the University's Travel Policy. Court cannot compensate for lack of income however it may consider paying expenses for costs associated with caring responsibilities. Anyone wishing to discuss this option should speak to the Deputy Secretary.

3.9 Court Standing Orders

The Standing Orders provide the rules for the conduct of the business of the Court. They include procedures for voting, rescinding decisions, calling extraordinary meetings, declaring business confidential or reserved, frequency of meetings and requirement for a specific quorum. There are separate quorum rules for lay and staff members. The Standing Orders are available at: <https://www.stir.ac.uk/media/stirling/services/policy-and-planning/documents/StandingOrders.pdf>.

The Standing Orders provide for certain matters to be declared to be confidential (normally applicable only to matters of commercial confidentiality or relating to the individual details of staff or students). The Standing Orders impose generally on the Court an obligation to keep all such matters confidential and in general no member of Court may make any public statement about business discussed at Court without the authority of the Chair or Vice-Chair of Court.

The Court exercises its responsibilities in a corporate manner, that is to say decisions are taken collectively by the members as a body. Members should not act individually, or in informal groupings, to take decisions on Court business on an *ad hoc* basis outside the constitutional framework of the meetings of Court and its committees.

3.10 Declaration of Interest

It is central to the proper conduct of public business that the Chair and members of Court should act and be perceived to act impartially and not be influenced in their role as members of Court by social or business relationships. Good practice requires that a member of Court who has a pecuniary, family or other personal interest in any matter under discussion at any meeting of the Court or one of its committees at which he/she is present is required by the Standing Orders to disclose as soon as practicable the fact of his/her interest to the meeting and, if appropriate, to withdraw from that part of the meeting. It is a routine item of business at the outset of meetings of the Court for the Chair to ask members to disclose items in which they have an interest. A member of Court is not considered to have a pecuniary interest in matters under discussion merely because he/she is a Member of the University, including Membership

by reason of being a member of staff or a student. Nor does the restriction of involvement in matters of direct personal or pecuniary interest prevent Members of Court from considering and voting on proposals to insure the Court or the University against liabilities which either might incur.

The University has maintained a Register of Interests of Members of the Court since 1995. It is updated annually in January. Members are specifically asked to complete the return in full each year. The Register is open to inspection by any Member of the University and is available from the Policy & Planning Office. A summary is also available at: <https://www.stir.ac.uk/media/stirling/services/policy-and-planning/documents/CURRENTRegisterofInterests.pdf>. The Secretary and any other senior officers closely associated with the work of the Court and members of Audit Committee are also asked to submit details of any interests.

Companies which have a connection with a member of Court are not automatically debarred from tendering for business from the University. The exclusion of such companies might deprive the University of a particularly valuable supplier and could deter individuals with industrial or commercial interests from serving on the Court. However, in such circumstances:

- the member concerned should consider carefully how his or her involvement in the situation is likely to be perceived by the wider community and, if in any doubt, should consult the Chair of Court
- if the procurement is discussed by the Court, the member concerned should make a formal statement of his or her involvement with the company (supplementing the declaration already contained in the Register of Interests) and should withdraw from the meeting for that item: this will duly be recorded in the minutes.

Members of Court should avoid becoming involved in procurement decisions on an informal basis (e.g. by providing *ad hoc* advice to an officer outside committee meetings). All contributions to the decision should be channelled formally through the committee system, so that they may properly be documented and open to wider scrutiny.

3.11 Schedule of Delegations/Reservations

The University's Statutes include a provision for delegation of the work of Court and other bodies to committees, Officers and Members of Staff. Such delegation must be explicit and a matter of record and some matters cannot be delegated. Having delegated authority to other bodies and individuals to act on its behalf, Court is nevertheless still ultimately accountable and has to accept corporate responsibility for the actions taken.

Under the Standing Orders the Court may grant delegated authority to its Chair, either alone or in consultation with specified members (e.g. the Chair of the Joint Policy and Planning Committee) to act on its behalf between meetings. Action taken under delegated authority will normally consist of routine business which would not have merited discussion at a Court meeting, e.g. the signing of routine documents or detailed implementation of matters already agreed by Court.

Occasionally, matters may arise which are judged too urgent and important to await the next meeting of the Court. In such an event, the Chair (or in his/her absence the Vice-Chair) has the

option of calling a special meeting, consulting members of Court by correspondence, or dealing with the matter by Chair's action. The Chair (or Vice-Chair) of Court should exercise great care to avoid taking decisions by Chair's action where it is inappropriate to do so, and not to exceed the scope of the delegated authority granted by Court. Chair's action on matters of importance should only be taken where delaying a decision would disadvantage the University.

The Chair (or Vice-Chair) of Court is answerable to the Court for any action which he/she takes on its behalf. Where chair's action is taken, a written report should be made to the next meeting of Court.

The Court, following common practice, delegates some of its work to committees such as the Joint Policy and Planning Committee. In deciding which tasks should be delegated to committees, Court retains to itself some matters for its collective decision. In practice Court reserves approval for a number of decisions such as major changes to the University's organisational and committee structure, appointment of the Chancellor, approval of overarching mission and vision, approval of the University's strategic plan and approval of the annual budget. The Schedule of Reservations and Delegated Authority can be viewed at this link: <https://www.stir.ac.uk/media/stirling/services/policy-and-planning/documents/Scheduleofreservationsanddelegations.pdf>. This also includes the reservations and delegations from Academic Council.

All appointments and contracts of employment are made on the authority of Court, although it has delegated almost all appointing authority to committees constituted according to rules approved by Court. The only exceptions are the appointments of the Chancellor, Principal and Vice-Chancellor, Senior Deputy Principal and the University Secretary where an appointment committee would make a recommendation to Court.

4. Academic Council

4.1 Academic Council Responsibilities

The Academic Council is responsible for regulating and directing the academic work of the University and is the supreme authority on purely academic matters. It reports to the Court only in areas in which a decision of the Court is required, for example where a new Ordinance or amendment to an existing Ordinance is proposed, creation of a new Faculty or Division and other governance issues. The Court has no power to overturn academic decisions of the Academic Council, but decisions which have resource implications, which would require the consent of the Court, will in practice be made by, or recommended to Court by, the Joint Policy, Planning and Resources Committee which is a joint committee with members from both Court and Academic Council.

The specific responsibilities of Academic Council are set out in Statute 10. They include:

- (i) directing, regulating and promoting the teaching and research of the University;
- (ii) regulating and conducting examinations and appointing both internal and external examiners;
- (iii) granting degrees, diplomas, certificates and other academic distinctions;
- (iv) regulating admission of students to the University;

- (v) regulating and superintending the living conditions and discipline of the students of the University.
- (vi) exercising discipline by excluding student temporarily from the University on grounds of misconduct, to suspend a student, to exclude permanently, to impose reprimands and monetary funds and to require sureties and reparation for damage.

For historical reasons the Statute which lists the powers of the Academic Council sets out the mechanisms for student discipline. There are then two further Ordinances [Ordinance 2 for students and Statute 17 and Ordinance 68 for staff] dealing with disciplinary procedures.

4.2 Members of Academic Council

The Academic Council is chaired by the Principal. Unlike the Court, its membership is drawn exclusively from within the University. It's constituency is detailed in Ordinance 66 as follows:

- (a) The Principal.
- (b) The Senior Deputy Principal.
- (c) The Deputy Principals.
- (d) The Deans of Faculty
- (e) The Institutional Deans appointed to lead on strategic initiatives
- (f) Seven members elected by the academic staff, from among the academic staff of the University holding professorial designation.
- (g) Eight members elected by the academic staff, from among the academic staff who do not hold professorial designation.
- (h) Four members elected by the Students' Association from the students of the University.
- (i) Up to two additional members co-opted by the Academic Council as it may determine from time to time.

Members of academic staff hold office for a period of four years, after which they are eligible for re-appointment for one further period of four years.

4.3 Academic Council Meetings

Each year the University Court agrees a schedule of meetings which provides for four regular meetings of the Academic Council (two per semester) arranged to ensure a smooth reporting flow to Court.

All decisions of the Academic Council are minuted and both the unreserved agenda and minutes are made available widely within the University and to the wider public through publication on the University website. When there are some matters where it is necessary to maintain confidentiality, usually matters concerning individuals, these matters are recorded separately.

4.4 Academic Council Standing Orders

The Academic Council Standing Orders can be viewed at:

<https://www.stir.ac.uk/media/stirling/services/policy-and-planning/documents/AcademicCouncilStandingOrders.pdf>.

These provide the rules for the conduct of the business of Council. They include procedures for review of decisions, calling special meetings, the requirement for a quorum, and the number of meetings to be held in each academic session.

The Standing Orders impose an obligation to keep certain designated matters confidential and no member of Council should make any Council document be available to the press or make any statement to the press about Council business without the Council's authority.

5. Finances

5.1 Sources of Income

Higher education institutions attract income from a variety of sources. The relative proportion of income provided by each source reflects the diversity of institutions' missions and the markets they serve.

The main sources of funding are:

- Tuition fees
- Funding Council Grant
- Research Grants and Contracts
- Other sources of income

A brief explanation of these sources of funding is set out below.

Tuition Fees

At the present undergraduate Scottish students and non-UK EU students studying in Scotland do not have to pay up-front tuition fees as their fees are paid for by the Student Awards Agency for Scotland (SAAS).

Since 2012/13 Scottish University charge a higher fee rates to students from the Rest of the UK (RUK). Although the University receives a higher fee income for these students, the RUK students are not be eligible for teaching grant funding from the Scottish Funding Council (SFC) (see next section).

Overseas (i.e. non-EU) students are charged higher fees because, since 1980, the UK Government has required that their fees should cover the full economic cost of their tuition. Institutions are free to decide what level of fee they charge overseas students.

Scottish Funding Council Grant

The grant from the SFC falls into three main categories:

- funding for learning and teaching
- funding for research
- special funding.

The SFC uses formulaic, conditional allocations, so that institutions receive a known sum of money, as long as they meet specified criteria.

Although the grant funding is allocated under the headings of learning and teaching, research and some special funding it is all part of a block grant. The institution may distribute the funds internally at its own discretion, as long as they are used for learning and teaching, research and related activities. Other special funding must be spent on the activities agreed with the SFC. The following paragraphs summarise the funding methods.

- *Teaching Funding*

The Funding Council provides funds to support the direct and indirect costs of providing teaching and learning to students studying in Scottish HEIs. These include the costs of academic, administrative, technical and support staff and facilities, accommodation, equipment and materials. Broadly speaking the funding is allocated on a formulaic basis taking into account the number of students at an institution and the price group allocated to a particular subject. It is a price-based and not a cost-based system.

Caps are placed on the number of students each institution is allowed with financial penalties if universities over recruit (or under recruit in controlled areas such as Education or Nursing). Any students recruited over the number of funded places but below the cap are classed as fees-only students as the institution receives the fees but not the teaching grant element of the funding.

- *Research Funding*

The SFC operates a policy of allocating research funding selectively on the basis of research quality.

Research quality is assessed periodically via the Research Excellence Framework (REF) which is carried out approximately every 5 years. Institutions submit research in any subject area to be assessed through peer review by panels of experts. Submissions are made in a subject-based unit of assessment.

The main component of the SFC's funding formula for research is quality related funding. The amount of money allocated to an institution under this heading relates directly to the quality of work submitted to the most recent REF. The quality related research funding method also takes into account research volume, measured primarily as the number of staff submitted for assessment but also using other activity indicators such as research income, research postgraduate and research assistant numbers.

In addition, the SFC distributes research funds to support research development in new areas, strategic research developments, knowledge transfer and research collaboration by institutions. Research pooling is a significant and unique feature of Scotland's academic research base. Pooling is the formation of strategic collaborations between universities in disciplinary or multidisciplinary areas, involving researchers across Scotland operating at internationally recognised levels of excellence.

- *Special Funding*

SFC's normal approach is to allocate core funding using formula for research and teaching however, funding for specific purposes can also be allocated directly to institutions as appropriate.

- *Capital Funding*

The Funding Council provides some specific capital grants. The remainder is funded from mainstream recurrent funding, commercial loans, bonds and other borrowing, and from endowment and other earned income.

Research Grants and Contracts

In addition to SFC support for research, institutions also obtain research funding through: grants and contracts from Research Councils; contracts from industrial and commercial firms and government departments; and grants from charities and the EU. Where a contract, as opposed to a grant, is provided, the funder is normally looking for a specific return on its investment. Research Council grants usually fund a proportion of the full economic costs of research projects.

Other Sources of Income

HEIs have several other sources of income, including:

- income from endowments and trusts
- donations
- sponsorship of posts (in particular professorial chairs, which are often in areas of immediate interest to the sponsoring company and sometimes for a fixed term)
- interest earned on cash balances and investments
- income from exploiting the results of research or inventions which have commercial applications
- teaching contracts for specific customers including continuing professional development
- fee income from short courses
- income from halls of residence fees and vacation lettings.

5.2 Financial Memorandum

There is a Financial Memorandum between the Scottish Funding Council and universities. This Financial Memorandum sets out the Scottish Funding Council's expectations of the institution and the requirements which are a condition of the SFC funding. The Financial Memorandum states the governing body must comply with the principles of good governance set out in the Scottish Code of Good HE Governance. SFC also requires that 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

A copy of the Financial Memorandum can be viewed at: <http://www.sfc.ac.uk/governance/institutional-finance-governance/institutional-finance-governance.aspx>

6. Audit

The SFC Financial Memorandum requires that institutions take account of relevant good practices in the management of their finances, risk and internal control procedures.

The SFC's audit requirements are now contained in the mandatory requirements associated with its Financial Memorandum and are available from the web-site <http://www.sfc.ac.uk/governance/institutional-finance-governance/institutional-finance-governance.aspx>.

The key requirements are that each institution's governing body must establish an audit committee and secure an effective internal audit service (which cannot be provided by the external auditor).

Each institution must also have a strategy for systematically reviewing management's arrangements for securing value for money and as part of internal audit, obtain a comprehensive appraisal of management's arrangements for achieving value for money.

All institutions are required to produce annual financial statements which have to be audited by a qualified auditor.

6.1 Audit Committee

The Audit Committee is a small, authoritative body which has the necessary financial expertise and the time to examine the University's financial affairs more rigorously than Court as a whole. It does not confine itself to financial systems and details but may take an independent stance, examines matters critically and is alert for potential areas of concern (including fraud and malpractice) which it should bring to the attention of Court. The Committee is in a position to form an opinion of the University's arrangements for promoting efficiency, economy and effectiveness and to secure value for money in all areas. The Committee is responsible for producing an annual report for Court. The Committee has delegated responsibility for considering and approving the annual operational plan of the internal audit service, which at

present is provided by a major firm of accountants and for recommending to Court the appointment of internal and external auditors.

The Audit Committee includes members of the Court, and independent members with particular expertise from outside the University, who do not have any executive responsibility for the day-to-day management of the University. It is a requirement of Statute that the Principal shall not be a member of the Audit Committee. The Committee's members do not serve contemporaneously on the Joint Policy and Planning Committee.

In summary, the specific responsibilities of the Court in respect of audit are:

- (a) to appoint the Audit Committee
- (b) to consider and where necessary act on an annual report and other reports from the Audit Committee
- (c) to consider recommendations of the Audit Committee for the appointment of internal and external auditors
- (d) to receive and approve the annual financial statements after they have been audited by the external auditors and reviewed by Audit Committee, and to forward the external auditors' management letter to the Funding Council.

While the responsibility for devising, developing and maintaining control systems lies with the central administration and management of the University, internal audit has a key role in providing a service to the University and giving assurance on the adequacy and effectiveness of the internal control system. In addition to its role in ensuring probity, the internal audit service also assists in ensuring value for money (VFM).

6.2 Risk

Risk can be defined as: 'the threat or possibility that an action or event will adversely or beneficially affect an organisation's ability to achieve its objectives'. The University identifies and actively manages risks, having particular regard at Court level to risks which could threaten the existence of the University. An annual disclosure about risk management is required in audited financial statements.

The University's Audit Committee is required to provide advice to the Court annually on risk management, control and governance in advance of the Court approving the audited financial statements.

7. Students' Union

At Stirling the students' association is called the University of Stirling's Students' Union (USSU) and is established by the Charter. The student union receives income in the form of a grant from the University's general funds and raises income of its own from commercial activities. USSU carries out the representational role of a Student Representative Council (SRC) and the social role of a Union. USSU has a Constitution which deals with issues of financial accountability in considerable detail. USSU's accounts are separately audited by the University's external auditors.

The Court is obliged to review the USSU Constitution at intervals of not more than 5 years. The Court approved a revised Constitution in 2015.

Rules and procedures for student discipline are prescribed in the Ordinances and Academic Council has prime responsibility for this area.

8. Public Interest Disclosure (Whistleblowing)

From time to time, a situation may arise where a member of the University has serious concerns about perceived irregularities in the running of the University.

The University has in place a Public Interest Disclosure Policy (whistleblowing) which sets out what individuals should do if they believe there has been financial malpractice, appropriate procedures have not been followed (e.g. with staff appointments) or there have been departures from statutory or other requirements for good governance. A copy of the policy is available at: <https://www.stir.ac.uk/internal-staff/human-resources-and-organisation-development/policies-and-guidance/>

The Policy offers some protection for members of staff to raise concerns without fear of reprisals or being dismissed, so long as these matters are raised in good faith.

9. Useful Links

Internal Documents

- (i) University Calendar (Including the Charter, Statutes and Ordinances)
<https://www.stir.ac.uk/about/faculties-and-services/policy-and-planning/university-calendar/>
- (ii) Schedule of Reservations and Delegations
<https://www.stir.ac.uk/media/stirling/services/policy-and-planning/documents/Scheduleofreservationsanddelegations.pdf>
- (iii) Strategic Plan
<https://www.stir.ac.uk/about/our-vision/>
- (iv) Annual Review
<https://www.stir.ac.uk/about/publications/annual-review/>
- (v) Financial Statements
<https://www.stir.ac.uk/about/faculties-and-services/finance-office/publications/>
- (vi) Publication Scheme (links to lots of other useful information including strategy documents)
<https://www.stir.ac.uk/about/faculties-and-services/policy-and-planning/legal-compliance/publicationscheme/>

- (vii) List of commonly used abbreviations
<https://www.stir.ac.uk/media/stirling/services/policy-and-planning/documents/GlossaryofAbbreviations.pdf>
- (viii) A-Z of Policies, Procedures and Guidelines
<https://www.stir.ac.uk/about/faculties-and-services/policy-and-planning/az-of-policies-and-guidance/>

External Documents/Organisations

- (i) Scottish Code of Good HE Governance
<http://www.scottishuniversitygovernance.ac.uk/>
- (ii) The Committee of University Chairs (CUC) (In addition to the Guide mentioned above CUC also publish a number of other reports that are specifically aimed at members of governing bodies)
<https://www.universitychairs.ac.uk/publications/>
- (iii) Nine Principles of Public Life in Scotland: A guide for Board Members of Public Bodies in Scotland
<http://www.gov.scot/Publications/2006/07/11153800/11>
- (iv) Financial Memorandum
<http://www.sfc.ac.uk/governance/institutional-finance-governance/institutional-finance-governance.aspx>
- (v) Scottish Funding Council
<http://www.sfc.ac.uk/>