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The Higher Education Code of Governance

September 2020

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Section 1 Introduction

Foreword

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The contribution of good governance to long-term organisational sustainability and success is widely recognised, and is evident in the growing expectations and demands placed on governing bodies.

The Higher Education Code of Governance has been developed to support governing bodies deliver the highest standards of governance across their institutions. This Code's primary audience is HE providers' governing bodies; however, the thinking that underpins the Code can be applied by any organisation seeking to improve its governance practices.

The purpose of the Code is to identify the key values and elements that form an effective governance framework. However, good governance practice is complex and goes beyond the adoption of the Code. Effective governance requires an organisational culture which gives freedom to act; establishes authorities and accountabilities; and at its core fosters relationships based on mutual respect, trust and honesty.

By visibly adopting the Code, governing bodies demonstrate leadership and stewardship in relation to the governance of their own institutions, and so help to protect institutional reputation and provide a level of assurance to key stakeholders and partners, including the student community and wider society. The Code needs to be read alongside the governing instruments of HEIs and the relevant legal and regulatory requirements that, as far as possible, are not repeated in the Code itself.

While this Code takes account of international and national trends and developments, governance does not stand still. As the expectations of governance change, this Code itself will be reviewed regularly to ensure it remains fit for purpose – normally this will take place every four years.

Using the Code

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The Code sets out the key values and elements which enable HEIs to demonstrate their commitment to good governance.

The autonomy and diversity of HEIs is one of the great strengths of the UK HE sector. Therefore, there is a need to ensure governance arrangements are proportionate and can apply to institution irrespective of their size, complexity and legal form. Accordingly, this Code is premised on an 'apply or explain' basis, where institutions are given a set of values and elements, but are not mandated to comply with everything. They can choose which parts of the Code apply to them; however, they are expected to justify the reasons behind their choices.

Each institution will decide how best to implement the Code and adopt a governance model which is proportionate and effective for their set of circumstances. HEIs in the devolved nations will need to consider the Code in the context of their legislative and regulatory environments. Scottish institutions, in particular, will need to first look to the Scottish Code of Good Higher Education Governance (www.scottishuniversitygovernance.ac.uk). English HEIs should consider the overlay of the Public Interest Governance Principles (part of the ongoing conditions of registration with the Office for Students) and Welsh HEIs will need to consider the Welsh Governance Charter .

While compliance with the Code is voluntary, its adoption is a valuable source of assurance to stakeholders who need to have confidence in the governance arrangements of HEIs. Institutions that adopt the Code confirm that they do so within the framework of publicly available reporting on corporate governance, e.g. annual reports or financial statements.

Governing bodies will therefore need to consider how best to communicate to stakeholders the extent of their compliance with the Code, though many will choose to set this out within their financial statements.

The Code does not address methods for its own implementation. This is intentional, and aims to reflect the diversity of the sector and support its flexibility and autonomy. The CUC will collaborate with other organisations to provide more detailed advice on implementation in due course.

Values

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At the heart of HE delivery across the UK are a set of core values which HE governance should be founded on:

Integrity:	transparency, accountability, honesty, freedom of speech and academic freedom
Sustainability:	financial and environmental
Inclusivity:	equality, diversity, accessibility, participation and fair outcomes for all
Excellence:	high-quality research, scholarship and teaching
Innovation and growth:	social, economic and cultural
Community:	public service, citizenship, collegiality, collaboration

These values, together with the 'Nolan Principles of Public Life' (reproduced for ease of reference at Appendix 1), provide an ethical framework for the personal behaviour of governors and boards as corporate entities, and are the foundations blocks of this Code.

Objectives

In addition to these principles, the Code is underpinned by an understanding of what future HE governance will need to deliver if it is to meet the challenges of sustainability, growth and change. The objectives are to:

- determine, drive and deliver the institution's mission and success in a sustainable way (financial, social and environmental);
- protect and promote the collective student interest and the importance of a high-quality student experience;
- ensure student outcomes reflect good social, economic and environmental value;
- effectively manage opportunities and mitigate risks to protect the reputation of the institution, ensuring financial sustainability and accountability for public funding;
- promote and develop a positive culture which supports ethical behaviour and equal, diverse and inclusive practices;

- promote excellence in learning, teaching and research, monitoring institutional and governing body performance;
- publish accurate and transparent information which is widely accessible;
- lead by example, being flexible and adaptable to create a resilient future; and
- ensure arrangements are in place for meaningful engagement with relevant stakeholders (especially students and staff) locally, regionally, nationally and globally.

It is important that, within institutions, the Executive, governing body and Secretary develop a shared understanding of these values and objectives and how they wish to apply the individual parts of the Code. Good governance requires more than the development of processes, since it is built on strong relationships, honest dialogue and mutual respect.

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The Six Primary Elements of Higher Education Governance

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This Code identifies six primary elements that embody the core values, assist in delivering the objectives and provide the basis for good governance in the UK HE sector. The six elements are all interrelated and should not be read or applied as standalone elements.

1 **Accountability.** The governing body is collectively responsible and accountable for institutional activities, approving all final decisions on matters of fundamental concern within its remit.

2 **Sustainability.** Working with the Executive, the governing body sets the mission, strategic direction, overall aims and values of the institution. In ensuring the sustainability of the institution the governing body actively seeks and receives assurance that delivery of the strategic plan is in line with legislative and regulatory requirements, institutional values, policies and procedures, and that there are effective systems of control and risk management in place.

3 **Reputation.** The governing body safeguards and promotes institutional reputation and autonomy by operating in accordance with the values that underpin this Code, its various elements and the principles of public life.

4 **Equality, inclusivity and diversity.** The governing body promotes a positive culture which supports ethical behaviour, equality, inclusivity and diversity across the institution, including in the governing body's own operation and composition. This includes ensuring under-representation and differences in outcomes are challenged and, where practicable, corrective action is taken to ensure fair outcomes for all.

5 **Effectiveness.** The governing body ensures that governance structures and processes are robust, effective and agile by scrutinising and evaluating governance performance against this Code (and other Codes where an institution's constitutional form requires it), and recognised standards of good practice.

6 **Engagement.** Governing bodies understand the various stakeholders of the institution (globally, nationally and locally) and are assured that appropriate and meaningful engagement takes place to allow stakeholder views to be considered and reflected in relevant decision-making processes.

Section 2 The Code

Element 1 Accountability

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The governing body is collectively responsible and accountable for institutional activities, approving all final decisions on matters of fundamental concern within its remit.

1.1 The governing body has overall responsibility for all decisions that might have significant reputational implications for the institution's sustainability (including partnerships or collaborations). It therefore needs assurance that the institution:

a) meets all legal and regulatory requirements imposed on it as a corporate body;

b) complies with its instruments of governance such as statutes, ordinances and articles; and

c) meets the requirements falling upon the institution in respect of public funding issued by bodies, including income from the Student Loan Company.

1.2 The regulatory and legal requirements will vary depending on the constitution of individual HEIs, but, for most governing bodies, members are charitable trustees and must comply with case law and legislation governing charities in the exercise of their duties. Some institutions are constituted as companies, and governing body members are normally the company's directors; the primary legislation in this case will be the requirements of the Companies Act.

1.3 In both instances, members must discharge their duties in line with the accepted standards of behaviour in public life and the values in this Code, accepting individual and collective accountability for the affairs of the institution.

1.4 All members of the governing body (including students and staff members) share the same legal responsibilities and obligations as other members, so no one can be routinely excluded from discussions. All members have a duty to record and declare any conflicts of interest.

1.5 Governing bodies must, as far as practicable, conduct their affairs in an open and transparent manner. This includes publishing accurate information on the use of public funding, value for money and other performance information on their websites, as well as any other information that supports regulatory compliance and accountability to all stakeholders.

1.6 There needs to be a clear separation of roles and responsibilities between the Executive and the governing body with delegated authorities to the Head of Institution (HoI) and any committees that exist.

Governing bodies must, as far as practicable, conduct their affairs in an open and transparent manner.

Element 2 Sustainability

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Working with the Executive, the governing body sets the mission, strategic direction, overall aims and values of the institution. In ensuring the sustainability of the institution, the governing body actively seeks and receives assurance that delivery of the strategic plan is in line with legislative and regulatory requirements, institutional values, policies and procedures, and there are effective systems of control and risk management in place.

2.1 The governing body is responsible for the mission, character and reputation of the institution and therefore sets the values and standards that underpin the institution's strategy and operation.

2.2 The governing body must be engaged in development of the institution's strategy and formally approves or endorses the strategic plan in accordance with its constitution and the expectations of stakeholders, including students and staff. It will need assurance that the strategic plan is supported by plans or sub-strategies which ensure there are:

- enough financial, physical, human and information resources to support the institution's aims and objectives; meet academic standards; protect the collective student interest; ensure effective delivery and meet any regulatory or funding commitments, including the need to demonstrate value for money;
- effective arrangements in place for the management of information which meet ethical standards, Freedom of Information requirements and other legislation on the use and protection of data;
- arrangements in place to ensure that all forms of resources are used in a sustainable (financial, social and environmental), secure and effective manner which supports institutional success; and
- policies and procedures in place which support the delivery of the institution's strategy in an environmentally sustainable way.

2.3 The governing body will need to receive regular, reliable, timely and adequate information to monitor and evaluate performance against the strategic plan. The governing body's role is to have oversight of performance and constructively challenge it, encourage quality enhancement, maintain and raise standards, celebrate achievements and learn from difficulties.

2.4 The governing body needs to understand the external environment and – along with the Executive – identify, understand and manage risk appetite and strategic risks and opportunities for the institution.

2.5 The governing body must actively seek and receive assurance that academic governance is robust and effective. Governing bodies also need to provide assurance on academic standards and the integrity of academic qualifications, and will work with the Senate/Academic Board (or equivalent, as specified in their governing instruments) to maintain standards and continuously improve quality. Governing bodies will also wish to receive assurance that specific academic risks (such as those involving partnerships and collaboration, recruitment and retention, data provision, quality assurance and research integrity) are being effectively managed.

2.6 The governing body needs assurance that the institution is meeting the conditions of funding as set by regulatory and funding bodies and other major institutional funders. These include:

- the need to use funds in line with the principles of regularity, propriety and value for money;
- robust systems of financial control and governance; and
- assurances on social, financial and environmental objectives, e.g. those which support a sustainable environment, the widening of access and participation and civic engagement.

Furthermore, the governing body also needs assurances that:

- the institution's values are practised throughout the organisation;
- the collective interest of current and future students drives decision making, and growth and innovation throughout the institution;
- there is sufficient management freedom and institutional autonomy;
- the institution has considered and taken appropriate actions to mitigate the impact of any risks to students' continuation of study e.g. the closure of a course, campus or location, the discontinuation of a discipline;
- there is an effective and proactive system of risk management in place by which risks are rigorously assessed, understood and effectively managed across the organisation;
- high-quality and robust data is produced and managed to meet all relevant legal and regulatory requirements; and
- effective control and due diligence take places in relation to institutionally significant external activities, for example commercial transactions, collaborations with HEIs in other countries.

For those institutions that are charities, assurance will be needed that commercial transactions conform to the requirements of charity law and regulation. This is particularly the case where institutions have established subsidiary entities, for example separate operating companies or charitable trusts.

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2.7 The governing body must understand and respect the principle of academic freedom, the ability within the law to question and test received wisdom, and to put forward new ideas and controversial or unpopular opinions without placing themselves in jeopardy of losing their jobs or privileges. The governing body must understand its responsibility to maintain, promote and protect the principle of academic freedom.

2.8 The governing body should also understand their institution's legal responsibility to uphold freedom of speech within the law.

2.9 Effective remuneration of all staff, especially the Vice-Chancellor and their immediate team, is an important part of ensuring institutional sustainability, meeting regulatory requirements and protecting institutional reputation. The governing body should provide assurance on the extent of the institution's compliance with The Higher Education Senior Staff Remuneration Code (published June 2018 by the CUC), and in particular ensure that no one is responsible for determining or influencing their own remuneration.

2.10 Depending on the constitutional documents and regulatory requirements of the institution, some governing bodies will be required to establish a Remuneration Committee to consider and determine, as a minimum, the emoluments of the Vice- Chancellor and other senior staff.

2.11 All institutions will have external auditors unless exempt under the Companies Act 2006 because of their small size. All institutions are encouraged to have an audit function, whether in-house or externally provided. Some regulatory requirements will specify the need for an internal audit service. The appointment and work of auditors will usually be overseen by an Audit Committee, comprising members that have no executive responsibility (although members of the Executive may attend by invitation). Further guidance on the role of Audit Committees is published separately by CUC and governing bodies should assess the extent to which they comply with that guidance.

2.12 The governing body will consider and, where necessary, act upon an annual audit report from the Audit Committee or equivalent (incorporating recommendations by internal and external audit) and approve the audited annual financial statements.

Element 3 Reputation

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The governing body safeguards and promotes institutional reputation and autonomy by operating in accordance with the values that underpin this Code, its various elements and the principles of public life.

3.1 Members of governing bodies must always act ethically in line with the principles of public life (the Nolan principles), the institution's own ethical framework, and in the interests of the institution, its students and other stakeholders. This applies whether the Board members are elected, nominated or appointed. If a governing body member falls short of these standards, they must be dealt with in accordance with the institution's constitution and Code of Conduct. Such cases must not be ignored.

3.2 Members of governing bodies need to act, and be perceived to act, impartially, and not be influenced by social or business relationships. Institutions must maintain, check and publish a register of the interests of members and senior executives. A member who has a professional, pecuniary, family or other personal interest in any matter under discussion which may be seen to conflict with the best interests of the institution must also disclose the interest in advance of any discussion on the topic. A member does not have a pecuniary interest merely because they are a member of staff or a student.

3.3 In protecting institutional reputation and autonomy, the governing body must ensure that its decision-making processes and those of the institution are ethical and free of any undue pressures from external interest groups, including donors, alumni, corporate sponsors and political interest groups.

3.4 If an individual member of the governing body has a view that is not consistent with the collective view of the governing body, they should abide by the principle of collective decision making and avoid putting specific interests or personal views before those of the institution. Individually they must not make any agreement for which they do not have authority. Breaches must be taken very seriously and be dealt with in accordance with the institution's governing documents, which should include a Code of Conduct.

3.5 Promoting trust in institutional governing bodies requires assurances that there is effective communication with relevant stakeholders, including the reporting of significant changes in circumstances. Governing bodies will need to consider how they engage stakeholders in decision making and how they publish information and report performance to stakeholders.

Members of governing bodies must always act ethically in line with the principles of public life (the Nolan principles), the institution's own ethical framework, and in the interests of the institution, its students and other stakeholders.

3.6 The governing body must take practical steps to ensure that the Students' Union or association operates in a fair, democratic, accountable and financially sustainable manner.

3.7 The governing body requires assurance that there is a transparent, effective and published process for making and handling a complaint or raising a concern, and that any internal or external complaints or concerns are handled impartially, constructively and, in the case of student complaints, in accordance with any requirements of the Office of the Independent Adjudicator for Higher Education (or equivalent for the devolved nations). The governing body should also ensure there is an effective process in place for investigating disclosures under whistleblowing legislation.

3.8 If a governing body decides it is appropriate to remunerate governing body members and this is permitted in its constitution, it must ensure that payments are commensurate with the duties carried out, are reported in the audited financial statements, are consistent with charity and employment law, and reflect the institution's values and ethos.

Element 4 Inclusion and Diversity

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The governing body promotes a positive culture which supports ethical behaviour, equality, inclusivity and diversity across the institution, including in the governing body's own operation and composition. Diversity in this context does not just mean protected characteristics – it includes a diversity of voice, attitude and experience. It is a means of ensuring that under-representation and differences in outcomes are challenged and, where practicable, followed by a course of corrective action that ensures fair outcomes for all.

4.1 HEIs are required by law to comply with equality and diversity legislation, and governing bodies are legally responsible for ensuring the institution's compliance. Legislation in this area does not distinguish between domestic and international students and staff.

4.2 The governing body must ensure that there are arrangements in place to:

- eliminate unlawful discrimination, harassment and victimisation;
- advance equality of opportunity between people who share and those who do not share a protected characteristic;
- foster good relations between people who share and those who do not share a protected characteristic; and
- promote an inclusive culture.

4.3 Governing bodies need to review and report on the institution's approach to equality, inclusivity and diversity. As a minimum, they must receive an annual equality monitoring report setting out work done by the institution during the year, identifying the achievement of agreed objectives and summarising the data on equality, inclusivity and diversity that they are required to produce and publish. The report needs to consider any significant differential educational outcomes by protected groups. For most institutions, an Equality Impact Assessment and proposals for widening participation in, and increasing access to, HE will be included in the report.

4.4 The governing body must routinely reflect on its own composition and consider ways it can encourage diversity in all its forms, thus leading by example. This includes consideration of the impact of decisions on equality, diversity and inclusion.

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Element 5 Effectiveness

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The governing body ensures that governance structures and processes are robust, effective and agile by scrutinising and evaluating governance performance against this Code (and other Codes where an institution constitutional form requires it) and recognised standards of good practice.

5.1 The Secretary (or Clerk) is responsible to the governing body for the provision of operational and legal advice in relation to compliance with governing instruments, including standing orders. They are also responsible for ensuring information provided to the governing body is timely, appropriate and enables informed decision making. The Secretary has a duty to keep governing body members briefed in respect of all relevant developments in governance and accountability. All members of the governing body should have independent access to the advice and services of the Secretary, who must ensure that governing body members are fully aware of the appropriate rules, regulations and procedures. The Secretary should be senior enough to ensure the governing body and the Executive acts in a way which is compliant with the institution's regulations and is independent enough to provide challenge when this is not the case. Arrangements for the appointment or removal of the Secretary may be defined by governing instruments; where they are not, it must be a decision for the governing body as a whole.

5.2 The governing body needs the appropriate balance of skills, experience, diverse backgrounds, independence and knowledge to make informed decisions. Some constitutional documents specify governing bodies must include staff and student members.

5.3 The size and composition of the governing body needs to reflect the nature, scale and complexity of the institution and governing bodies need enough time and resources to function efficiently and effectively. There is a need for a shared understanding of the division between independent non-executive governors and executive governors. The governing body will also need to consider having a committee sub-structure which supports its effective operation, with specific consideration being given to Audit, Finance and Nominations committees.

5.4 An effective governing body has a culture where all members can question intelligently, debate constructively, challenge rigorously, decide dispassionately and be sensitive to the views of others both inside and outside governing body meetings.

5.5 An effective governing body ensures the Board culture reflects the articulated values and culture of the institution. It also receives assurance that the prevalent behaviours in the institution are consistent with its articulated values.

5.6 The governing body needs to focus on strategic risks and emerging opportunities for the institution and have enough flexibility to respond to these quickly and effectively.

5.7 The governing body needs a suitable arrangement for the continuation of business in the absence of the Chair. Arrangements for a Deputy Chair may be codified within the institution's governing instruments; if not, the Nominations Committee or equivalent can advise the governing body.

5.8 The governing body also needs to consider the benefits of appointing a Senior Independent Governor (SIG) or equivalent role and explain the rationale for decisions made in this regard. Their role is seen in other sectors as an important aid to good governance; to help advise the Chair, to be an intermediary for other Board members and to help facilitate an annual appraisal of the Chair. The role of the SIG is different to the Deputy Chair, who should be part of the leadership of the Board and deputise for the Chair as well as take on specific duties which are assigned to them. The SIG should be a voice and a sounding board for other governors to sense-check the effectiveness of the governance arrangements, and to formally lead the appraisal of the Chair (and the Deputy Chair).

5.9 The governing body needs a formal process to ensure that its members are fit and proper persons. The governing body also needs the power and process to remove any of its members from office, and must do so if a member breaches the terms of their appointment.

5.10 A Nominations Committee (or equivalent) is an effective way to advise a governing body on the appointment of new members, and must be established. The Nominations Committee can provide advice to the governing body on terms of office, the perceived skills balance required on the governing body, succession planning and skills refreshment. Normally, final decisions on appointment are taken by the governing body.

5.11 In making decisions about terms of office, the governing body needs to ensure there is a planned and progressive refreshing of membership – this includes evaluating the performance of governing body members. The terms of office for governing body members should not be more than nine years (either two terms of four years or three terms of three years) unless there is exceptional justification. This is in line with other Codes and recommended practice.

5.12 Governing body members need induction, updates and development which supports understanding of their role and changes in their operating environment.

5.13 HEIs must conduct a regular, full and robust review of governance effectiveness with some degree of independent input. This will provide assurance to internal and external stakeholders and allow a mechanism to focus on improvement and chart progress towards achieving any outstanding actions arising from the last effectiveness review. It is recommended this review takes place every three years.

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Governing body members need induction, updates and development which supports understanding of their role and changes in their operating environment.

Element 6 Engagement

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Governing bodies understand the various stakeholders (especially staff and students) of the institution globally, nationally and locally, and are assured that appropriate and meaningful engagement takes place to allow stakeholder views to be considered and reflected in relevant decision-making processes.

6.1 The governing body needs to ensure the activities of the institution are in the interests of students (current and future) and other stakeholders. Donations, partnerships and similar activities must not inappropriately influence the institution's independence, mission or academic integrity. Governance processes and structures should be clearly visible to staff and students (current and future), who should have opportunities to engage with the governance of the institution, should they choose.

6.2 The governing body needs assurance of regular, effective two-way communication with students, staff and other stakeholders, and must be advised of any major issues arising.

6.3 The governing body must promote and ensure the social, cultural, economic and environmental impact of the institution, and ensure that institutional success and achievements are reported to stakeholders. The governing body must also ensure that relevant stakeholders are advised of any material changes, adverse or other, in policy or circumstance.

6.4 Governing bodies need to promote a collegiate, collaborative and cooperative approach to liaison with students, staff and other stakeholders and ensure that interactions are guided by the values, ethics and culture of the institution.

6.5 Where institutions enter into significant partnership or working arrangements with other organisations, governing bodies need to be assured of the benefits and risks of the partnership, and need to be satisfied that there are effective governance and risk management arrangements in place to support the partnership.

6.6 Governing bodies should ensure the institution is accessible and relevant to its local communities, and should be open to, and engage with, their local communities in identifying their role in delivering public/community benefit and economic, civic duties, cultural and social growth.

The governing body must promote and ensure the social, cultural, economic and environmental impact of the institution, and ensure that institutional success and achievements are reported to stakeholders.

Section 3 Appendices

Appendix 1
Nolan Principles of Public Life

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The principles have been taken from the government website and are the basis of the ethical standards expected of public office holders.

1. **Selflessness:** Holders of public office should act solely in terms of the public interest.

2. **Integrity:** Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

3. **Objectivity:** Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

4. **Accountability:** Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

5. **Openness:** Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

6. **Honesty:** Holders of public office should be truthful.

7. **Leadership:** Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

Appendix 2
Statement of Primary Responsibilities

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The principal responsibilities of the governing body should be set out in the body's Statement of Primary Responsibilities, which must be consistent with the institution's constitution. While there may be some variations because of different constitutional provisions, the principal responsibilities are likely to be as follows:

1. To set and agree the mission, strategic vision and values of the institution with the Executive.
2. To agree long-term academic and business plans and key performance indicators and ensure that these meet the interests of stakeholders, especially staff, students and alumni.
3. To ensure that processes are in place to monitor and evaluate the performance and effectiveness of the institution against the strategy, plans and approved key performance indicators, which should be, where possible and appropriate, benchmarked against other comparable institutions.
4. To delegate authority to the HoI for the academic, corporate, financial, estate and human resource management of the institution, and to establish and keep under regular review the policies, procedures and limits within such management functions as shall be undertaken by and under the authority of the HoI.
5. To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls, risk assessment, value for money arrangements and procedures for handling internal grievances and managing conflicts of interest.
6. To establish processes to monitor and evaluate the performance and effectiveness of the governing body itself.
7. To conduct its business in accordance with best practice in HE corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life.
8. To safeguard the good name and values of the institution.
9. To appoint the HoI as Chief Executive and to put in place suitable arrangements for monitoring their performance.

10. To appoint a Secretary to the governing body and to ensure that, if the person appointed has managerial responsibilities in the institution, there is an appropriate separation in the lines of accountability.

11. To be the employing authority for all staff in the institution and to be accountable for ensuring that an appropriate human resources strategy is established.

12. To be the principal financial and business authority of the institution, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to have overall accountability for the institution's assets, property and estate.

13. To be the institution's legal authority and, as such, to ensure systems are in place for meeting all the institution's legal obligations, including those arising from contracts and other legal commitments made in the institution's name. This includes accountability for health, safety and security and for equality, diversity and inclusion.

14. To receive assurance that adequate provision has been made for the general welfare of students.

15. To act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the institution.

16. To ensure that the institution's constitution is always followed, and that appropriate advice is available to enable this to happen.

17. To promote a culture which supports inclusivity and diversity across the institution.

18. To maintain and protect the principles of academic freedom and freedom of speech legislation.

19. To ensure that all students and staff have opportunities to engage with the governance and management of the institution.

Glossary

- *Clerk* is used interchangeably with *Secretary*.
- *External* members are all non-executive governing body members from outside the institution, irrespective of how they are appointed.
- *Governing body* which in some HEIs is called the Council, Court or Board of Governors. It may also be the Board of Directors or equivalent.
- *Head of Institution* means the Vice-Chancellor, Principal or equivalent.
- *HEIs* are Higher Education Institutions. The CUC Executive Committee has agreed that the term Higher Education Institution will be used instead of Higher Education Provider. Please note that the Code uses the term interchangeably with 'universities'.
- *Should* is used for recommended actions; however, the Code recognises that there may be circumstances where the recommendation would not be applicable or proportionate for the institution.
- *Stakeholders:* These are staff, existing and prospective students, funders, regulators, suppliers, local communities, public authorities, alumni.
- *Want, need* and *must* are used interchangeably and refer to actions that are in line with the requirements of the Code.

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