



University of the
Highlands and Islands
Argyll College

Argyll College UHI

Terms of reference for Board of Governors and its committees.

Policy Number:	AC034
Revision Number:	3
Status:	Final Version
Date of Approval:	23 March 2016
Responsibility for Policy:	Board Secretary
Responsibility for Review:	Board Secretary
Date of Last Review:	31 March 2020
Date of Last Revision:	September 2014
Date of Next Review:	31 March 2023

1 Board of Governors

General

The Board shall observe the Standing Orders and its Articles of Association in all its business.

- 1.1 The Board has responsibility for overseeing the business of the College, determining its future direction and fostering an environment in which the College mission is achieved and the potential of all learners is maximised.
- 1.2 The Board of Governors must ensure compliance with the statutes, ordinances and provisions regulating the College and its framework of governance and, subject to these, take all final decisions on matters of fundamental concern to the College.
- 1.3 The decisions of the Board of Governors will be minuted and published when approved, except, exceptionally, for sections which are confidential or commercially sensitive.
- 1.4 The following items are retained **for approval by the Board**, upon advice from or recommendation by the relevant Committee where appropriate and may not be delegated:
 - i. the planning cycle and calendar for production proposed by the Executive Management Team for the preparation of the College Strategic Plan, and to approve the Plan itself before publication;
 - ii. the annual accounts, following consideration by the Finance & General Purposes and Audit committees (at their annual joint meeting of the year);
 - iii. the college budget proposals, following consideration by the Finance & General Purposes Committee, and to set annually the parameters for College staff pay awards and conditions;
 - iv. the appointment of the Principal and to participate in the appointment process relative to the appointment of members of the College's senior management team;
 - v. any financial packages in excess of statutory provisions, for severance payments, following consideration by the HR and Remuneration Committee;
 - vi. membership of new Board Members - following consideration by the Nominations Committee - and membership of all committees and their Committee chair;
 - vii. To ensure that the arrangements made to implement the College Health and Safety Management System are effective; and
 - viii. To assume responsibility for identifying, evaluating and managing the College's significant risks, and review the operating, financial and compliance controls that have been implemented to mitigate these risks.

Health and Safety

- 1.5 Ensure the health and safety policy of Argyll College is reviewed at least annually.
- 1.6 Receive reports that detail the approach to health and safety in the college and how the college meets the college's legal obligations.
- 1.7 Receive health and safety audit reports and determine any necessary arising actions.
- 1.8 Ensure that action is taken to promote the health and safety of staff, students and others within the college.
- 1.9 Consider any reports from external enforcing authorities under health and safety legislation or other bodies and ensure that issues where weakness is identified are addressed fully by the college.
- 1.10 Consider and agree setting and measuring of health and safety performance standards

Membership

- 1.11 The membership of the Board will be constituted as required by the College Articles of Association.
- 1.12 A quorum shall consist of 8 Directors of the Board with independent members being in the majority at the meeting.
- 1.13 The Board must be chaired by an independent member.
- 1.14 The Board may appoint advisors who are not members of the Board of Governors and who have particular, relevant experience or expertise to attend meetings of the Board and/or its committees. Advisors may not vote in any decisions by the Board and/or committee,
- 1.15 The Board Secretary shall normally be in attendance.

Frequency of Meetings

- 1.16 The Board shall meet no less than four times each year.

Reporting

- 1.17 The decisions of the Board of Governors will be minuted and published whenever possible.

2 Audit Committee

Composition

- 2.1 The Audit Committee will have a minimum of four members of the Board. For a meeting to be quorate, **three members** must be present.

- 2.2 The Committee should have a range of skills and experience and at least one member should be financially qualified or have considerable financial experience.
- 2.3 The Audit Committee has the authority of the Board to investigate any matters within its remit, and full access to any information and personnel required.
- 2.4 The Finance Director, or their nominee, should be in attendance at each meeting. The Chair of the Board, the Chair of the Finance and General Purposes Committee and the Principal *are invited to attend meetings*. The College's appointed internal and external auditors will be invited to send representatives to each meeting.
- 2.5 Members of the Finance and General Purposes Committee, the staff Board members or anyone with executive authority in the College may not be *members* of the Audit Committee.

Frequency

- 2.6 The Committee should normally meet at least three times per year, one meeting of which will be a joint meeting with Finance and General Purposes Committee to consider the annual financial statements and accompanying external auditor report. The Committee will annually hold a private meeting (without College executives present) with the Internal Auditor and External Auditor to discuss audit issues.

Overall Purpose

- 2.7 The purpose of the Audit Committee is to assure the Board of Governors that Argyll College has in place a system of governance, internal control and risk management which is being maintained and developed to meet legislation and regulations applying to the sector.

Remit and Duties Probity

- 2.8 Advise on the selection, appointment, remuneration or removal of the internal audit provider.
- 2.9 Agree an internal audit work programme annually based on an audit needs assessment.
- 2.10 Receive the internal audit reports as per the agreed work programme and ensure that recommendations are adequately responded to by the college.
- 2.11 Receive an annual report from the internal auditor which should include an opinion on the degree of assurance that can be placed on the systems of internal control and any follow-up actions still outstanding which should be closed off by the College.
- 2.12 Review the statement of corporate governance to be included with the annual financial statements.
- 2.13 Approve the Accounting Policies and review the annual financial statements (jointly with the Finance and General Purposes Committee) with a view to recommending them to the Board for approval.

- 2.14 Review the external audit strategy and plan.
- 2.15 Receive the external auditor annual report and management letters and to ensure that any recommendations are adequately responded to by the College.
- 2.16 Monitor the effectiveness of internal and external audit service and promote coordination between the two.
- 2.17 Advise the Board on the terms of reference for the internal audit service including the adequacy of the resourcing of the service.
- 2.18 Review the effectiveness of financial and other control systems ensuring value for money.
- 2.19 Oversee the policies on fraud and irregularity and receive reports on any fraud or irregularity, potential or real, ensuring that action is taken by the college to address these.
- 2.20 Receive an annual report on any matters of whistleblowing or disclosure and ensure that any recommendations from these are adequately responded to by the college.

Risk Management

- 2.21 Monitor and ensure the effectiveness of the college's approach to risk assessment and management through regular review of the Risk Register and other reports and appropriate recommendations to the Board.
- 2.22 Review the prioritisation of risk management taking into account financial, reputational, commercial and other risks
- 2.23 Request reviews by the college of areas of high or escalating risk ensuring that recommendations from these are adequately responded to.
- 2.24 Receive ad-hoc reports on matters of potential reputational, commercial and/or financial risk and ensure that the college's approach to managing the risks is appropriate and adequate.

Value for Money

- 2.25 Establishing and overseeing a review process for evaluating the effectiveness of the College's arrangements for securing the economical, efficient and effective management of the College's resources.
- 2.26 Advising the Board on potential topics for inclusion in a programme of value for money reviews and of action that it may wish to consider in the light of national value for money studies in the further education sector.

Other Matters

- 2.28 Receive and review reports related to the work of the Committee prepared by external bodies.
- 2.29 In the event of the merger or dissolution of the College, ensure that the necessary actions are completed, including arranging for a final set of financial statements to be completed and signed.

Reports from the Committee

- 2.30 Report to each Board of Governors meeting the relevant matters discussed within the Committee.
- 2.31 Prepare an annual report from the Audit Chair to the Board of Governors that gives an opinion on the system of governance, internal control and risk management within the college. The report should accompany the year-end financial statements.

3 Finance and General Purposes Committee

Composition

- 3.1 The Finance and General Purposes Committee will have a minimum of four members of the Board, including the Principal and the Chair.
- 3.2 For a meeting to be quorate, **three members** must be present.
- 3.3 The Committee should have a range of skills and experience and at least one member should have a background in finance, accounting or audit.
- 3.4 The Finance Director should be in attendance at each meeting. The Chair of Audit is invited to attend meetings.

Frequency

- 3.5 The Committee should normally meet four times per year, one meeting of which will be a joint meeting with the Audit Committee to consider the annual financial statements and accompanying external audit report.

Overall Purpose

- 3.6 The purpose of the Finance and General Purposes Committee is to assure the Board of Governors that Argyll College has appropriate strategies, plans (including estates plan), budgets and controls in place which manage identified risks and create a sustainable and stable College.

Remit and Duties

Financial Control

- 3.7 Monitor the financial control of the College and to keep the Financial Regulations under review.
- 3.8 Monitor the Treasury Management policy providing a strategy for cash management, investments and borrowings.
- 3.9 Monitor expenditure and income against budget and report to the Board where action is required.

- 3.10 Review and approve the establishment of any arrangements to provide the College with banking facilities. This is subject to the authorisation limits set by SFC for the drawing down of loans.
- 3.11 Approve the policy for fee waivers and the write off of bad debts within limits set in the Financial Regulations.
- 3.12 Consider and recommend to the Board the level of tuition fees and other charges.
- 3.13 Monitor capital expenditure against agreed development plans.
- 3.14 To oversee and advise the Board on insurance arrangements.
- 3.15 Consider financial benchmarking information and monitor unit costs.

Financial Management

- 3.16 Advise the Board on financial strategy.
- 3.17 Approve all strategic decisions in relation to college finance within the scheme of delegation.
- 3.18 Consider and recommend to the Board the College's annual budget.
- 3.19 Consider jointly with the Audit Committee and recommend to the Board the college's annual financial statements.
- 3.20 Ensure the college works within the Financial Memorandum of Understanding with the Scottish Funding Council
- 3.21 Review the effectiveness of financial management.
- 3.22 Consider, and contribute to, the overall risk management strategy of the college and to monitor strategic risks which might have an impact on the financial health of the college.

Estates

- 3.23 Ensure compliance with statutory and regulatory requirements.
- 3.24 Oversight of the college estates strategy and ensure that it is consistent with the college's overall strategy.
- 3.25 Provide assurance to the Board that the estates strategy is fit for purpose and sustainable.
- 3.26 Oversight of the existing buildings and estates are fit for purpose.
- 3.27 Oversight of the maintenance of existing buildings and estates.
- 3.28 Provide a healthy and safe environment for the College's staff, students and visitors.
- 3.29 Receive and review reports on estate related matters.

Commercial

- 3.30 Review the commercial strategy of the college and recommend any action to the Board.

- 3.31 Monitor the performance of the commercial activity against budget.
- 3.32 Receive information on the commercial tenders and contracts and their performance

ICT

- 3.33 Review the ICT strategy of the college and recommend any action to the Board.
- 3.34 Monitor ICT related policies and recommend any action to the Board.
- 3.35 Receive and review reports related to the work of the Committee prepared by external bodies

Reports from the Committee

- 3.36 Report to each Board of Governors meeting relevant matters discussed within the Committee
- 3.37 Report to the relevant Committee of the Board of Governors matters that impact on their remit

4 Human Resources & Remuneration Committee

Composition

- 4.1 The Human Resources & Remuneration Committee will have a minimum of four members of the Board, one of whom shall be the Principal who must withdraw from the meeting where his/her remuneration is discussed.
- 4.2 For a meeting to be quorate, **two members** must be present. The Chair of the Board may be a member but may not chair this committee. At least one member of the committee should, ideally, have a background in human resource management.
- 4.3 The Depute Principal with responsibility for HR, or their nominee, should be in attendance at each meeting except where the Principal's remuneration is discussed.

Frequency

- 4.4 The Committee shall meet three times a year, and no less than twice a year.

Purposes

- 4.5 The purposes of the Human Resources & Remuneration Committee are to assure the Board of Governors that Argyll College has in place appropriate policies and procedures relating to the Board's responsibilities as the employer of the College's staff, ensuring that these promote a positive and inclusive culture and satisfy relevant legislation. The Committee is also responsible, annually, for reviewing and recommending the remuneration package of the Principal following annual appraisal.

Remit and Duties

- 4.6 Ensure the college is operating within all legal requirements relating to Employment Law and other legislation affecting employment.
- 4.7 Review the human resources strategy to ensure fit with the overall strategy of the College.
- 4.9 Review and recommend for Board approval the *College's policy for the remuneration of the Principal*.
- 4.10 Consider and determine all matters relating to the remuneration package, including terms and conditions of employment (and where appropriate, severance payments) of the Principal and other senior staff (as appropriate).
- 4.11 Monitor that the staff structure and associated pay and conditions are determined properly, with due regard for appropriate internal and external parity and that pension arrangements are being managed. This shall include reference to Scottish Government's approach to remuneration within the public sector.
- 4.12 Discuss and agree proposed staff pay increases in advance of the annual Business Plan being submitted for Board approval.
- 4.13 Support the Chair of the Board with an annual review of the performance of the Principal. This may include setting of performance targets or indicators as required.
- 4.14 Receive reports and assurance that the college has developed an appropriate equality impact assessment process and procedure.
- 4.15 Endorse key policies and procedures that affect staff ensuring that these meet legislative requirements and thereafter monitor these policies on a regular basis.
- 4.16 Receive reports on the development opportunities available to staff, the take up of these and the impact on the college
- 4.17 Ensure the College develops and has in place an effective Staff Performance Appraisal framework monitored through regular statistical reports to the Committee.
- 4.18 Monitor policies and practices within the College, including those relating to recruitment and selection, terms and conditions of employment, Discipline and Grievance, Health and Safety, and training and development.
- 4.19 Oversee the development of human resources services within the College, commissioning and monitoring contracts for the provision of external support including Employment Law advice, Occupational Health support, computerised human resources systems.

Other Matters

- 4.20 Receive and review reports related to the work of the Committee prepared by external bodies.

Reports from the Committee

- 4.21 Report to each Board of Governors meeting relevant matters discussed within the Committee
- 4.22 Recommend to the Board any annual pay increase for all staff and remuneration of the Principal.
- 4.23 Report to the relevant Committee of the Board of Governors matters that impact on their remit.

5 Learning, Teaching and Engagement Committee

Composition

- 5.1 The committee will have a minimum of 4 members of the Board, including the Staff representatives and student representative of the Board.
- 5.2 In order to be quorate, **three members** must be present, at least one of whom must be an external (independent) Governor.
- 5.3 The Depute Principal will be in attendance at meetings.

Frequency

- 5.4 The committee will meet at least four times per year.

Overall Purpose

- 5.5 The Purpose of the Learning, Teaching and Engagement Committee is to advise and make recommendations to the Board on all matters relating to learning and teaching, curriculum development and the student experience.

Remit and Duties

- 5.6 Provide oversight to the quality assurance and enhancement processes of the College.
- 5.7 Provide oversight of the College's preparations for Education Scotland annual engagement visit and full review. Receive actions plans resulting from any Education Scotland visit and from any audit from SQA or other awarding bodies.
- 5.8 Promote the adoption of innovative methods of learning and teaching on all courses within the College.
- 5.9 Monitor the implementation of policies relating to student feedback, student complaints, student discipline and academic appeals.
- 5.10 Review minutes and reports from relevant committees and other forums within the College.

6 Nominations Committee

Composition

- 6.1 The Nominations Committee will have a minimum of three independent Board members one of whom will be the Chair of the Board.
- 6.2 For a meeting to be quorate, **two members must be present.**
- 6.3 The Principal shall be invited to attend but should not be a member of this Committee.
- 6.4 The Committee should meet at least once a year.

Overall Purpose

- 6.5 The purpose of the Nominations Committee is to ensure that Argyll College has arrangements in place for the recruitment and selection of Board members.

Remit and Duties

- 6.6 Determine the process for identifying candidates to join the Board.
- 6.7 Select candidates to join the Board of Governors following good practice, making recommendations to the Board on appointees.
- 6.8 Oversee the administration process for appointment of governors.
- 6.9 Review and consider the composition and balance of the Board in relation to equality of representation as well as particular skills that may be required.
- 6.10 Develop policies and procedures for the induction, training and development of Board members.
- 6.11 Oversee the planning of the Board's training and development programme.
- 6.12 Oversee policy in relation to re-appointment of Board members.
- 6.13 Establish succession planning arrangements for the Board and its Committees.
- 6.14 Advise the Board about the Committee arrangements and their effectiveness including arrangements for self -evaluation of the Board, its Standing Committees and its Chairs.
- 6.15 Advise the Board about membership of the Board's committees.
- 6.16 Review the de-selection process at least annually.
- 6.17 Instigate the de-selection process where required.

Other Matters

- 6.18 The Board Secretary will inform the Chair of the Board of forthcoming vacancies as Board Members complete their terms of office.

- 6.19 The Board Secretary will maintain a skills matrix of current Board Members to assist the Committee to determine the skills and experience required of prospective members.

Reports from the Committee

- 6.20 Report to each Board of Governors meeting relevant matters discussed within the Committee.
- 6.21 Report to the relevant Committee of the Board of Governors matters that impact on their remit.