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Dear Lesley

Consultation on the Draft Code of Good Governance for Scottish Colleges

On behalf of the Chartered Institute of Public Finance & Accountancy (CIPFA), I am pleased to contribute to the above consultation. We make this submission as an independent and professional body whose aim is to improve financial management, governance and performance in public bodies. CIPFA has an unrivalled track record in providing professional support to public bodies to achieve that objective.

Given the well documented reforms of the College sector in Scotland, CIPFA welcomes this code of good governance which will provide a framework within which Colleges can operate. Such guidance should be helpful for Boards of Management to ensure good governance in their College and will also help those executives charged with ensuring that good governance operates in practice at each level, as required.

On reviewing the draft Code, we are pleased that many of the points raised by CIPFA in the initial consultation are reflected in the proposed Code. Overall, we support the draft Code and believe it meets its overarching objectives as set out in the consultation response questions 1- 3 in the letter that accompanies the draft Code. We have some feedback on specific parts of the draft Code as follows:

Paragraph A.12 – the appointment of a senior independent director of the Board. Quite apart from the way this position is appointed and the need for the right skills, there is a risk of confusing how this role complements the role of the Chair and Vice-Chair and what authority the position carries. If it is considered by the sector that there is a need for this role and it can be clearly articulated and understood, it will be worth evaluating the need and effectiveness after a suitable period of time (say 18 months - two years).

Paragraph C.2 – register of interest for Board Members. We believe the register should be circulated and be made available to all those charged with ensuring good governance in the



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College. This would ensure that the register is a live document. Our experience indicates that there is a risk that information about interests is reduced to the role of a central file.

Paragraph D2 – board members must make decisions in the interest of the college. This should be broadened to ‘acting in the public interest’. This would provide a direct link with the CIPFA/IFAC framework which requires that entities act in the public interest at all times, if necessary overriding any perceived organisational interest. This modification would also provide a direct link to paragraphs A8 and A9 which gives college boards a wide corporate social responsibility.

Paragraph D.3 – staff and student Board Members. We believe it is worth pointing out that staff and students Board Members must act in the best interest of the college at all times. In our experience, the route taken to the Boardroom should be immaterial - once there, all Board Members should act corporately.

Paragraphs D.6 and D.7 – recruitment of Principal and agreeing KPIs. In these paragraphs there is reference to the contribution of student and staff members. A minor point to avoid any ambiguity, we think these references should be to student and staff Board Members rather than the larger bodies of students and staff.

Turning to consultation response question 4, we welcome the suggestion there should be additional practical advice provided to the sector. We think this is an opportunity for the College Development Network to take the lead on setting high standards of governance in colleges by providing support in a number of ways:

- To provide a good governance guide for colleges that builds upon the governance principles in the Code and translates these to practical ways of applying the principles;
- To develop a programme of training and development that can be accessed by college Board Members on an ‘open’ basis or for individual college boards on a bespoke basis;
- To establish a network of Chairs and Board Members and to facilitate opportunities for members to meet regularly e.g. for CPD purposes. This could be on a sectoral basis as well as on a wider public sector/private sector basis;
- To provide an annual governance conference for the sector that addresses latest governance good practice and shares lessons learned in the sector; and
- To facilitate a periodic assessment of governance in each college, say every five years to benchmark against good governance standards.



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The delivery of ongoing practical advice of course requires the necessary delivery infrastructure. As a professional body, CIPFA has experience of improving governance in public bodies through all of the above ways and we would welcome the opportunity to help the sector by working in partnership with the College Development Network. For example, you are aware that CIPFA is launching its accredited and unique Governance Mark of Excellence in July. This is a land mark service for governance in the UK which has been designed specifically to complement and support the implementation of codes of governance. Clearly, it would be an ideal tool to adopt for the sector as a way of externally benchmarking governance effectiveness and recognising high standards where they exist.

In conclusion, we acknowledge the opportunity to contribute to this important consultation exercise and we will be pleased to expand further on these comments or to help further in any way that we can.

Yours sincerely



Don Peebles
Head of CIPFA Scotland



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