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1 Status

The College is a further education incorporation created under the provisions of the Further and Higher Education (Scotland) Act 1992 as amended by the Post-16 Education (Scotland) Act 2013 (‘the Acts’). Its structure of governance is laid down in the instrument and articles of government, which may only be amended by application to the First Minister of Scotland.

The legal status of the Board is defined in Schedule 2 of the Acts. Specifically, the Board shall not:

a Be regarded as the servants or agents of the Crown

b Have any status, immunity or privilege of the Crown

and their property shall not be regarded as property of, or held on behalf, of the Crown.

The College is an exempt charity by virtue of the Charities Act 1993.

In the event of any conflict between the Constitution and Proceedings and Statutory Regulations, the Provisions of Statute will prevail.

2 Definitions

In these Constitution and Proceedings, the meanings assigned to words and expressions are:

"The Act" means the Further and Higher Education (Scotland) Act 1992 as amended by the Post-16 Education (Scotland) Act 2013;

"College" means Perth College;

"Board" means the Board of Management of Perth College;

'Regional strategic body' means the University of the Highlands and Islands in its role as a regional strategic body;

"SFC" means the Scottish Funding Council;

"He" embraces "She".

3 Membership

3.1 Membership of the Board shall consist of no fewer than 13 and no more than 18 members.

3.2 The board is to be comprised of:

a a person appointed by the regional strategic body to chair meetings of the board (the 'chairing member');
b  the principal of the college;

c  a person appointed by being elected by the teaching staff of the college;

d  person appointed by being elected by the non-teaching staff of the college;

e  two persons appointed by being nominated by the students’ association of the college from among the matriculated students of the college; and

f  other members appointed by the regional strategic body.

3.3 Elections to appoint teaching and non-teaching staff members of the board will be conducted in accordance with rules made by the board. Before making, varying or replacing rules about elections for teaching or non-teaching staff, the board must consult the representatives of any trade union which the board recognises as being, or which otherwise appears to the board to be, representative of the staff of the college.

3.4 Less than half of members of the board may receive remuneration from the board. Members receiving remuneration include any salaried members of staff on the board, including the principal; and any sabbatical student members (whether remunerated directly by the college or by the college’s student association).

4 Qualifications and Tenure of Office

4.1 Subject to this paragraph and paragraphs below, a member of the Board, other than the Principal, will hold and vacate office on such terms as the regional strategic body may determine; and is, on ceasing to hold office, eligible for re-appointment;

4.2 A member of the board appointed by being elected by the teaching or non-teaching staff of the college is to hold office for 4 years;

4.3 A member appointed by being nominated by the students’ association is to hold office until 31 August following appointment;

4.4 Each other member of the board (including the chairing member) is to hold office for such period (not exceeding 4 years) as is specified in the member’s terms of appointment as determined by the regional strategic body. The regional strategic body may extend the period of appointment for a single further period not exceeding 4 years. Thereafter, a member is eligible to be appointed again (which can again be extended for a single period of up to 4 years) and is then eligible to be appointed again, without limit to the number of appointments.

4.5 The principal of the college is to vacate office on ceasing to be the principal.

4.6 A member of the board appointed by being elected by the teaching or non-teaching staff of the college is to vacate office if he ceases to be a member of the teaching or, as the case may be, non-teaching staff of the college before the members period of appointment ends.
4.7 A member of the board appointed by being nominated by the students' association is to vacate office if he ceases to be a student of the college before the member's period of appointment ends.

5 Resignation

A member of the board, other than the principal of the college, may resign his office at any time by giving notice in writing to the regional strategic body.

6 Exclusion from Membership

6.1 A person is not eligible for appointment as a member of the board if the person:

   a. has within 5 years of the date on which the appointment would take effect, been sentenced (following conviction for an offence in the United Kingdom, the Channel Islands, the Isle of Man or the Irish Republic) to imprisonment for a period of not less than 3 months, whether suspended or not, without the option of a fine;

   b. is an undischarged bankrupt; or

   c. has been removed from office under section 24 of the Act (see Section 8 Mismanagement by Board).

6.2 "Undischarged bankrupt" means a person:

   a. whose estate has been sequestrated and who has not been discharged (or against whom a bankruptcy order has been made and is still in force);

   b. who has granted a trust deed for, or made a composition or arrangement with, creditors (and has not been discharged in respect of it);

   c. who is the subject of a bankruptcy restrictions order, or an interim bankruptcy restrictions order, made under the Bankruptcy (Scotland) Act 1985 or the Insolvency Act 1986;

   d. who is the subject of a bankruptcy restrictions undertaking entered into under either of those Acts;

   e. who has been adjudged bankrupt (and has not been discharged); or

   f. who is subject to any other kind of order, arrangement or undertaking analogous to those described in paragraphs a to d, anywhere in the world.

7 Removal from Office

7.1 The regional strategic body must remove a member of the board from office (by giving notice in writing to the member) if:

   a. the member;
i is sentenced (following conviction) for an offence in the United Kingdom, the Channel Islands, the Isle of Man or the Irish Republic) to imprisonment for a period of not less than 3 months, whether suspended or not, without the option of a fine or

ii has become an undischarged bankrupt under the terms outlined in 6.2 above or

b the regional strategic body is satisfied that the member;

i has been absent from meetings of the board for a period longer than 6 consecutive months without the permission of the board; or

ii is otherwise unable or unfit to discharge the member's functions.

7.2 The Scottish Ministers must, by giving notice in writing to the member, remove a member from office if the member is removed from office under section 24 of the Act.

7.3 Sections 6 and 7 do not apply in relation to the principal of the college.

8 Mismanagement by Board

8.1 This section applies where:

a it appears to the Scottish Ministers that the Board of Management of any College of Further Education:

i have committed or are committing a serious breach of any term or condition of a grant made to them by the Regional Strategic Body under section 12 or 12B of the Further and Higher Education (Scotland) Act 2005 ("the 2005 Act");

ii have committed or are committing repeated breaches of such terms or conditions;

iii have failed, or are failing, to provide or secure the provision of education of such standard as the Scottish Ministers consider appropriate;

iv have failed, or are failing, to discharge any of their duties properly; or

v have mismanaged, or are mismanaging, their financial or other affairs; or

vi SFC has informed the Scottish Ministers that a College of Further Education whose Board of Management is established in pursuance of this Part is not, or is no longer, a body for which there are suitable provisions, procedures and arrangements of the type described by or under section 7(2) of the 2005 Act.
8.2 Where this section applies, the Scottish Ministers may by order remove any or all of the members of the board (other than the principal of the college).

8.3 Before making an order, the Scottish Ministers must consult SFC.

8.4 The Scottish Ministers must give notice of exercise of the power of removal to the board and the member.

8.5 Where a member removed under this section was a member appointed by the Regional Strategic Body, the Scottish Ministers may appoint another person in place of the removed member. The appointment has effect as made under the provision under which the removed member was appointed.

9 Proceedings

9.1 The board may regulate its own proceedings and those of any committee appointed by them.

9.2 The validity of any proceedings of the board or of any committee appointed by them shall not be affected by any defect in the appointment of any member of the board or any member of such committee or by a vacancy amongst the members of the board.

9.3 The board shall make available for inspection at the college at all reasonable times by anyone who wishes to inspect them, copies of the following documents.

   a the agenda for any meeting of the board or of any committee of theirs;
   b the draft minutes of any such meeting as approved by the chair of the meeting;
   c the minutes of such meeting as agreed by the board or, as the case may be, committee; and
   d any report or other document considered by such meeting.

9.4 The above shall not apply to any document or part thereof which relates to:

   a an employee, former employee or applicant for employment in relation to the college;
   b a person who is, has been, or is likely to be a student of the college;
   c any information the disclosure of which is prohibited by anything in any enactment (including this Act and an enactment contained in a subordinate instrument) or rule of law;
   d anything which it appears to the board should be treated as confidential because of its commercial nature or otherwise.
10 Committees

10.1 The board may establish committees for any purpose and any such committee may appoint sub-committees.

10.2 Such committees may include persons who are not members of the board; but such persons shall not be entitled to vote at meetings of a committee.

10.3 The principal of the college shall be entitled to attend and speak at any meeting of a committee of the board; but he shall be entitled to vote at such meeting only if he is a member of such committee.

10.4 The board may pay to the members of such committees (whether or not they are also members of the board) such allowances and expenses as they may determine; and any allowances and expenses to be paid by virtue of this sub-paragraph shall be calculated by reference to such criteria as the Scottish Ministers may determine.

10.5 Any reference in this document to a committee of the board shall include a reference to any sub-committee appointed by such committee.

11 Staff

11.1 Subject to paragraph 11.2 below, the board may appoint employees as they see fit. The board may appoint on such terms and conditions as they may determine such employees who are outwith the scope of the Scottish further education national recognition and procedures agreement as they think fit. The terms and conditions of staff within the scope of the Scottish further education national recognition and procedures agreement will have their terms and conditions of employment determined collectively through national bargaining and by agreement between Scottish further education colleges and the recognised trade unions.

11.2 The appointment of the principal of the college and the terms and conditions of the appointment, have effect only if approved by the Regional Strategic Body.

11.3 The board may, in the case of such of its employees or former employees as they may, subject to sub-paragraph 11.4 below, determine:

a  pay such pensions, allowances or gratuities to or in respect of those employees;

b  make such payments towards provision of such pensions, allowances or gratuities; or

c  make such arrangements for the provision and maintenance of such schemes (whether contributory or not) for the payment of such pensions, allowances or gratuities, as they think fit.
11.4 Sub-paragraph 11.3 above shall not apply to any person who becomes an employee of the board under or by virtue of any provision of this Act (unless that person, by notice given in writing, informs the board that he wishes it so to apply).

11.5 The reference in sub-paragraph 11.3 above to pensions, allowances or gratuities in respect of employees of the board includes a reference to pensions, allowances or gratuities by way of compensation to or in respect of any such employee who suffers loss of office or employment.

12 Accounts

12.1 It shall be the duty of the board to keep proper accounts and other records.

12.2 The accounts shall be prepared in respect of each financial year in such manner as the Scottish Ministers may direct and the accounts shall be submitted to the Scottish Ministers by such time as they may direct. The Scottish Ministers shall send the accounts to the Auditor General for Scotland for auditing.

12.3 The financial year of the board shall be from 1st August to 31st July.

12.4 The Scottish Ministers may by order provide that the board shall have a different financial year, and an order under this subparagraph may make such consequential provision as appears to the Scottish Ministers to be necessary or expedient.

12.5 The accounts of the board shall be open to the inspection of the Comptroller and Auditor General, but:

a the power conferred by this paragraph; and

b the powers under sections 6 and 8 of the National Audit Act 1983 (examinations into the economy, efficiency and effectiveness of certain bodies and access to documents and information) conferred on the Comptroller and Auditor General by virtue of section 6.3 c of that Act,

shall be exercisable only in, or in relation to accounts or other documents which relate to, any financial year in which expenditure is incurred by the board in respect of which grants, loans or other payments are made to them under this part of this Act.

13 Execution of Documents

13.1 For any purpose other than those mentioned in sub-paragraph 11.2 below, a document is validly executed by the board if it is signed on their behalf by a member of the board or by their secretary (or any person performing the duties of secretary to the board) or by any person authorised to sign the document on their behalf.
13.2 For the purposes of any enactment or rule of law relating to the authentication of documents, a document is validly executed by the board if it is subscribed on their behalf by being executed in accordance with the provisions of sub-paragraph 13.1 above.

13.3 A document which bears to have been executed by the board in accordance with sub-paragraph 13.2 above shall, in relation to such execution, be a probative document if the subscription of the document bears to have been attested by at least one witness.

14 **Provision of Services**

The Local Authorities (Goods and Services) Act 1970 (supply of goods and services by local authorities to certain public bodies) shall have effect within the meaning of that Act.

15 **Code of Conduct**

The Code of Conduct for Members of Devolved Public Bodies as revised in February 2014, provides for a Code of Conduct for the Board of Management. Members of the Board of Management have a responsibility to ensure that they are familiar with, and that their actions comply with, the provisions of this Code of Conduct and also with the Code of Good Governance for Scotland’s Colleges (December 2014).
# Board of Management
## Standing Orders

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1 General

Introduction
These Standing Orders for the Governance of the proceedings of the Board of Management ("the Board") of Perth College ("the College") have been drawn up in accordance with Paragraph 11.1 of Schedule 2 to the Further and Higher Education (Scotland) Act, 1992 ("the Act").

Application
They shall apply to all meetings of the Board and its Committees and shall, subject to a resolution by the Board for their suspension, remain in force unless and until they are varied or revoked as hereinafter provided.

Interpretation of Standing Orders
Any dispute as to the interpretation of the Standing Orders shall be determined by the Chair of the meeting whose decision shall be final.

Implementation of Standing Orders
It shall be the duty of the Chair and the Clerk to the Board to ensure that the business of the Board is conducted in accordance with these Standing Orders.

Variation, Revocation or Suspension of Standing Orders
Any of these Standing Orders, other than such Standing Orders as the Board may think should not be capable of being suspended, may be varied, revoked or suspended at any meeting of the Board after a motion to that effect has been passed by a majority of two thirds of the members present and voting. However it shall not be competent to vary, revoke or suspend any Standing Orders or portions thereof which express statutory provisions. A motion to suspend must state the period, for which the suspension is being moved, shall be for a specified item of business only and shall lapse when that item is concluded.

Review of Standing Orders
These Standing Orders shall be kept under review to ensure that they continue to support effectively the workings of the Board. Standing Orders shall be formally reviewed at least once every 3 years.

2 Duty and Powers

Duty and Powers of the Board of Management shall be in accordance with section 12 of the Further and Higher Education (Scotland) Act 1992, as amended by the Post-16 Education (Scotland) Act 2013 in so far as it has a duty to manage and conduct the business of the College.

3 Statement of Primary Responsibilities

3.1 The primary responsibilities (this list being neither exhaustive or exclusive) of the Board are:

a The Board shall ensure that the College provides the best possible education and learning environment for its students.
b The Board shall approve the mission and strategic vision of the College, including institutional and longer-term academic and business plans, and key performance indicators. It will ensure that the College meets the interests of all stakeholders, including students, local and national communities and funding bodies, and meets its legal and ethical obligations to its staff.

c The Board shall be responsible for the setting, demonstrating and upholding the good name and the values and ethos of the College.

d The Board shall promote further and higher education locally, nationally and internationally and shall promote and support the work of University of the Highlands and Islands and the FE Regional Board.

3.2 Accountability and Responsibility of the Board:

a The Board is accountable to students and its stakeholders, which includes the public, employers and its local community for the provision of high quality education that enhances social and economic well-being.

b As an assigned college, the Board is accountable to the University of the Highlands and Islands as the Regional Strategic Body.

c The Board is collectively responsible and accountable for all Board decisions. As such, it will ensure that its decision-making process is transparent, properly informed, rigorous and timely and in the best interests of the College as a whole, rather than selectively or in the interests of a particular group, section or individual.

d The Board shall ensure that the College operates ethically, responsibly and with respect for the environment and for society at large.

e The Board is responsible for ensuring so far as is reasonably practicable the safety, health and welfare of all its employees, students and others that may be affected by College activities in respect of United Kingdom Health and Safety law and best safety practice and procedure.

f The Board will provide leadership in equality and diversity, ensuring that it fulfils its statutory obligations and duties in respect of equalities legislation.

g The Board is responsible for ensuring that appropriate arrangements are in place for the conduct of student elections, and nominations and elections of staff members to the Board.

h The Board shall ensure that sound risk management and internal control systems are in place and maintained. These processes must support the identification, reporting, evaluation and management of significant risks on an ongoing basis, and enable the effectiveness of risk management, business continuity planning and internal control systems to be reviewed.
i The Board shall ensure that it maintains a balance of appropriate knowledge, skills and experience amongst its membership to enable it to meet its primary responsibilities.

j The Board shall ensure that a process is in place for evaluating the Board, the Board Chair and Committee Chairs.

4 Chair and Vice Chair

Appointment of Chair and Vice Chair

4.1 The Regional Strategic Body shall appoint a Chair under the terms laid out in College Sector Board Appointments: Ministerial Guidance.

4.2 The Board shall appoint a Vice Chair from among those members of the Board who have been appointed by the Regional Strategic Body to the Board under the terms laid out in the College Sector Board Appointments: Ministerial Guidance.

4.3 The appointment of Vice Chair shall be set down on the Agenda for the meeting at which the appointment is to be considered.

4.4 In the event of their being 2 or more duly nominated and seconded candidates for the post of Vice Chair, the matter will be determined by confidential ballot, which will be supervised by the Clerk to the Board of Management.

4.5 The following provisions shall apply to any Vice Chair appointed under Paragraph 4.2:

   a they shall hold office for 4 years and the appointment may be extended for one further period subject to the limits on membership of the Board and approval by the UHI FE Regional Board;

   b the Vice Chair may be removed from office by resolution of two thirds of the members of the Board present and voting and subject to prior notice on the Agenda for the meeting. Such periods of time must be subject to the overriding limits on Board membership as determined by the College Sector Board Appointments: Ministerial Guidance.

Chair to Preside at Meetings

4.6 The Chair shall preside at meetings of the Board and the Vice Chair shall preside in the absence of the Chair;

4.7 In the absence of both the Chair and the Vice Chair, the Board shall appoint a Chair from among the lay members to preside at any meeting.

Responsibilities and Duties of Chair

4.8 The Chair is responsible for:
a leadership of the Board and ensuring its effectiveness in all aspects of its role;
b setting the Board’s agenda and ensuring that adequate time is available for full discussion of all agenda items, particularly strategic issues;
c promoting a culture of openness and debate by encouraging the effective contribution of all Board members and fostering constructive relations between Board members.

4.9 The Chair shall, *inter alia*:

a preserve order and ensure that every member of the Board shall have a fair hearing;
b decide all matters of order, competency and relevancy;
c decide between 2 or more members of the Board indicating a wish to speak by calling on the member who has first caught his or her eye;
d see that due and sufficient opportunity is given to members of the Board who wish to speak to express their views on the subject under discussion;
e ensure that the sense of the meeting is properly ascertained with regard to any matter which is properly before the meeting;
f ensure that decisions are clearly documented within the minutes.

**Responsibilities of Vice-Chair**

4.10 The Vice-Chair will be an independent non-executive member of the Board, who provides the role of a sounding board for the Chair and who will act on behalf of the Chair as necessary.

a Another independent non-executive member of the Board of Management will serve as an intermediary for the other Board members and the Clerk to the Board when necessary and should be available where contact through the normal channels of Chair, Principal or Clerk to the Board has failed to resolve an issue or where such contact is inappropriate.

**Responsibilities of Principal and Chief Executive**

4.11 The Principal is the operational interface between the Board and the College and, as a Board member, shares responsibility with the Chair and the Board for enabling good governance through supporting effective communication and interaction between the Board and the College staff and students.

**Responsibilities of Individual Board Members**

4.12 The Independent members of the College Board of Management are appointed by the Regional Strategic Body. An independent member is responsible for:
a Contributing to the business of Board meetings, following established and agreed procedures.

b Contributing to one or more of the Board committees by membership or chairmanship.

c Engaging effectively at board meetings and working collaboratively with other members.

d Observing the *Nine Principles of Public Life* (selflessness, integrity, objectivity, accountability, openness, honesty, leadership, public service and respect) in all Board business.

**Responsibilities of Clerk to the Board**

4.13 The Clerk to the Board, who will be independent of the College executive, is responsible for providing the Board and Executive team with advice on governance, the role of the Board and Board matters.

4.14 The Clerk to the Board shall ensure that the Board receives appropriate, timely and high quality information in a form that allows it to monitor and scrutinise the College’s activities and to challenge performance when required.

4.15 The Clerk to the Board shall support the Chair, the Board and the Executive in ensuring compliance with all relevant legislative and governance requirements.

4.16 The appointment and removal of the Clerk to the Board shall be a decision of the full Board.

**Ordinary Meetings of the Board**

**Calendar of Meetings**

5.1 The Board shall hold at least 4 ordinary meetings in the academic year on such days and at such times as are published in the calendar of meetings.

5.2 The proposed calendar of ordinary meetings of the Board and the Board’s Standing Committees shall be submitted for approval by the Board.

5.3 The Standing Committees of the Board shall hold ordinary meetings on such days and at such times as are published in the calendar of meetings.

5.4 The Chair of the Board may, in special circumstances (of which the Chair shall be the sole judge) alter the date or time of any ordinary meeting of the Board. At least 7 days’ notice shall be given of any alteration to the agreed date of an ordinary meeting of the Board from that detailed in the approved calendar of meetings.
Agenda of Business

5.5 Preliminary notice of the day, hour and venue of each scheduled meeting shall be sent by the Clerk to the Board to the Chair of the Board or, in the case of the Board's Committees, to the Chair of the Committee, not less than 3 weeks before the date of the meeting. Such notice shall include an invitation to suggest matters to be included on the Agenda.

5.6 Any item or document which it is proposed should be considered at a meeting must be submitted to the Clerk to the Board by the submission date specified within the calendar of meetings. The Clerk to the Board shall not include matters on the Agenda where notification has not been given by the date on which the Agenda is being finalised. Only in exceptional circumstances and then only with the prior approval of the Chair may a paper be accepted by the Clerk to the Board later than the specified date.

5.7 The Agenda of Business must be approved by the Chair before being circulated to members of the Board. Once approved by the Chair the Notice calling the meeting and detailing the Agenda, together with all documentation relating thereto, shall be sent by the Clerk to the Board with notification of the date, time and place of the meeting to all Members not less than one week before the date of the meeting. Notices of meetings shall be sent electronically.

5.8 Only in exceptional circumstances should the Board or a Committee of the Board be requested to consider a matter which was not included on the Agenda of Business at the time the Agenda was circulated. Such a request must be raised at the commencement of the meeting and should only be granted where the Chair is of the opinion that, by reason of special circumstances which shall be specified in the Minutes, an additional matter should be considered at the meeting as a matter of urgency and the meeting agrees to accept the request.

Reserved Matters

5.9 Matters in relation to the salary, conditions of service, appointment, promotion, suspension or dismissal of any Member of the staff of the College will be considered under the reserved matters of business on the Agenda of the Board or at any of its Standing Committees. Other than the Principal and the Clerk to the Board, any Member of the Board who is a member of the College’s staff or who is a member ex officio by virtue of being the representative of the students of the College shall withdraw from the meeting, or that part of the meeting, when such reserved matters are being considered unless invited to remain by virtue of a resolution by the other Members of Board or Committee as the case may be who are present at the meeting. When matters relating to the Principal or the Clerk to the Board are being considered, they shall also withdraw from that part of the meeting. In the absence of the Clerk to the Board, the Chair will record an accurate minute of that part of the meeting.

5.10 Only in exceptional circumstances should matters other than those listed below be treated as reserved items.

a a Board member, former Board members, an employee, former employee or applicant for employment in relation to the College;
b  a person who is, has been or is likely to be a student of the College;

c  any information the disclosure of which is prohibited by any enactment;

d  items of a confidential commercial nature.

5.11 All matters considered under reserved matters of business must be treated as confidential and must not be disclosed to third parties unless and until such disclosure is authorised by the Board.

5.12 Any instances of unauthorised disclosure of reserved matters should be reported to the Chair via the Clerk to the Board or the Principal.

**Quorum**

5.13 At all meetings of the Board **one third** of the current membership shall constitute a quorum. However, irrespective of the number in attendance, the independent members of the Board must constitute and maintain an overall majority. If during the course of a meeting the independent members cease to constitute the majority the meeting shall stand adjourned to another day.

5.14 If at any time appointed for a meeting or, if before the business of any meeting has been completed, the number of members present is less than one third of the current membership, the Chair must adjourn the meeting to such day or time as the members determine and the meeting may be re-convened on less than one week's notice.

5.15 No failure or defect in the appointment, election or co-option of any member of the Board and no vacancy in the office of member shall prevent the Board from acting in the execution of its functions, nor shall any act or proceeding of the Board or any Committee appointed by it be invalidated or be illegal by reason of or in consequence of any such vacancy or of any such defect in the appointment or co-option of any one or more members of the Board, excepting only in a case where the Board is not quorate.

**Adjourned Meetings**

5.16 Where a meeting is adjourned, temporarily, for a brief period for convenience, emergency or other cause, no special procedures are required when the meeting resumes. The remaining business shall be dealt with as if the meeting had been continuous.

5.17 Where a meeting is adjourned to continue on another day, the Clerk to the Board shall endeavour to advise those members of the meeting who were not present when the meeting was adjourned of the date, time and place of the adjourned meeting. At the adjourned meeting only the unfinished business for which the original meeting was called shall be transacted, subject to the provisions of paragraph 3.2.5.
5.18 At the discretion of the Chair, when there are no matters of urgency to be resolved, the unfinished business may be referred to the next ordinary meeting of the Board or Committee, when it shall take precedence over other business except for the confirmation of the Minutes of the previous meeting.

**Conduct of Meetings**

5.19 Meetings shall commence promptly at the times shown on the Agenda. The Chair shall, at the outset of each meeting, agree the estimated finishing time with members as well as any proposed re-ordering of the business of the meeting.

5.20 Members should, wherever possible in advance of the meeting, seek any factual information they may need or notify any apparent errors in papers prior to the meeting itself.

5.21 When speaking a Member shall be directed to the question and discussion in hand or to a point of order or a point of explanation. Although no fixed time limits are set either to the length of speeches or the number of times a member may speak, members should bear in mind the need for brevity and relevance and gauge the number and duration of their interventions accordingly.

5.22 The Chair is responsible for ensuring that all Members have adequate opportunity to be heard, but may draw the attention of any Member to the need for economy in time or indicate to the meeting the view that the discussion should be brought to a close. The Chair may also call to order any Member whom he/she considers has strayed from the matter under consideration.

5.23 The Chair shall ensure that the Clerk to the Board has appropriate information to accurately record the decisions made.

**Motions and Amendments**

5.24 The Chair may require any motion, or motion of amendment to be put in writing by or on behalf of the mover, and delivered to the Clerk to the Board immediately on its being seconded.

5.25 After a motion or motion of amendment has been made and seconded, it shall not be withdrawn or altered in substance without the leave of the mover or seconder.

5.26 All amendments must be relevant to the motion on which they are moved, the Chair to decide as to relevancy.

5.27 The Chair shall have power, with the consent of the meeting, to conjoin amendments which are not consistent with each other.

5.28 The mover of the motion shall have the right to reply to the debate on his/her motion and any proposed amendments thereof. After the reply is concluded, the debate on that question shall be as closed.
5.29 When any amendment is made upon a motion the vote shall be taken between the motion and the amendment, the latter being put from the Chair first. When there is more than one amendment, the amendment last proposed shall be put against that immediately preceding, and then the one which is carried shall be put against the next preceding, and so on until there remains only one amendment. A vote shall then be taken between the amendment and the original motion. After the vote the motion or amendment shall, if demanded by any member, be put as a substantive resolution without further discussion. The foregoing order of voting may, however, be altered by the Chair with the consent of the meeting.

5.30 On a motion being made 'that the question now under discussion be put', such motion shall be at once. If the majority of the votes cast are in favour of the motion, the mover of the original motion may be allowed to sum up before a vote is taken on the question under consideration. If the motion for closure is not carried, the debate may be resumed.

Points of Order

5.31 Any Board Member may speak on a point of order. He/she shall do so as soon as possible after the alleged infringement and shall refer to the particular standing order which he/she believes is being infringed. The Board Member who is then addressing the meeting shall thereupon cease speaking. The Chair shall decide the question immediately. Thereafter the Board Member who was addressing the meeting at the time when the point of order was raised shall be entitled to proceed with the discussion, giving effect to the ruling of the Chair on the point of order.

Voting

5.32 In the event of a division, the names of the proposer and the seconder of the motion and amendment shall be taken down and entered in the minute. Unless otherwise specified in these standing orders or agreed, voting shall be carried out by a show of hands and resolutions shall be carried by a simple majority of those present and voting. In the case of equality of votes at any meeting of the Board, the Chair of such meeting shall have a casting vote in addition to a deliberative vote other than where the subject of the vote relates to an election or appointment to office in which case then, in the event of an equality of votes, the matter shall be put to the vote again and if there remains an equality the matter shall be determined by drawing lots.

5.33 In the case of a vote regarding an election or appointment to office, the voting shall proceed by way of a confidential ballot unless the two thirds of the members present and voting determine otherwise.

Dissents

5.34 No dissents against any decision of the Board shall be recorded unless explicitly requested at the meeting at which the question is determined. Only a Board Member who has recorded a vote or an abstention on a matter under discussion shall be entitled to have his/her dissent recorded.
Minutes

5.35 Minutes of meetings shall contain a clear statement of decisions taken.

5.36 Minutes of meetings shall be prepared by the Clerk to the Board and forwarded to the Chair of the meeting for comment as soon as reasonably possible after the meeting takes place and in any event within 5 working days thereafter.

5.37 At each ordinary meeting of the Board, the Minutes of the previous ordinary meeting and, (when practicable) of any intervening special meeting, having been printed and previously circulated, shall be approved for accuracy. No discussion shall be allowed at the meeting on these Minutes, except as to matters arising from the minutes to which they relate. After the minutes have been approved as a correct record, subject to or without amendment, they shall be signed by the Chair.

5.38 The Minutes of any special meeting of the Board, if not submitted for approval at the next ordinary meeting of the Board, shall be submitted for approval at the earliest subsequent ordinary meeting thereafter at which it is practicable so to do and shall be disposed of as provided in Standing Orders.

5.39 Circumstances may arise which necessitate a Minute of a Board or Committee decision to be approved at the meeting at which the decision is taken; in such circumstances the Minute Secretary shall prepare a draft Minute for immediate consideration and approval by the Board or Committee.

5.40 The Clerk to the Board shall be responsible for ensuring that decisions taken by the Board and its Committees are formally notified to the responsible officer (and copied to the Principal) within 5 working days of the meeting so that he or she can, in turn, arrange for their implementation.

6 Rescinding of Decisions

6.1 A decision of the Board shall continue to be operative and binding until varied or rescinded but no motion to vary or rescind any decision passed within the preceding 6 months shall be competent except with the consent of two thirds of the Members present and voting.

6.2 However, it shall be competent to deal with the subject matter afresh where the Chair of the meeting is satisfied that a material change of circumstances has occurred (which shall be detailed in the Minutes of the meeting) which requires the matter to be considered anew.

7 Special Meetings

7.1 The Chair or any 4 members of the Board may, for any cause which seems to him/her or them sufficient, requisition a special meeting of the Board to be convened by giving notice in writing to the Clerk to the Board, specifying the business to be transacted.
7.2 The Clerk to the Board shall then issue a notice of meeting in accordance with Para 5.5 above convening the meeting within 5 working days of receiving the requisition.

7.3 In exceptional circumstances (which shall be recorded in the Minute of the meeting) the Chair of the Board may convene a special meeting at less than 5 days’ notice but no resolution passed at such meeting shall be valid unless two thirds of the members present and voting have voted in favour of it or unless it is confirmed at any subsequent meeting of the Board on the usual notice being given.

7.4 The Chair or any 2 members of any Board Standing Committee may also requisition a special meeting of that Committee under provisions as above.

7.5 The conduct of a special meeting of the Board or its Standing Committees will be in accordance with these Standing Orders except that such a special meeting shall not be competent to transact any business other than that detailed in the notice calling the meeting or any arising directly there from.

7.6 The Board may establish a specialist group where it considers that particular work, such as reviews of policy and procedure, will need to be undertaken outside of the formal schedule of meetings.

8 **Committees**

**Establishment of Committees**

8.1 The Board shall establish Audit, Finance and General Purposes, Engagement Nominations, Chair’s, and Remuneration Committees together with such other standing and ad hoc Committees as it considers necessary and appoint Board members and/or co-opted members and/or others to them taking account of their qualifications, interests and experience.

8.2 The Academic Affairs Committee will report to the Board and its membership will include 2 Board members.

8.3 Air Service Training (Engineering) Limited is a wholly owned subsidiary of Perth College, accountable to the Board of Management through the Chair of the Board of Directors.

**Appointment of Committee Chair**

8.4 The Board shall appoint a Chair to each Committee it establishes.

**Chair to Preside**

8.5 The Chair of a Committee shall preside at meetings of the Committee. If the Chair is not present at the time when the meeting is due to commence, the Vice Chair will preside. In the absence of both the Chair and Vice Chair, members of the Committee present shall elect a Chair of the meeting from among the members present who shall preside over the meeting in the absence of the Chair and Vice Chair.
Members *ex officio*

8.6 The Chair and Principal, in addition to membership of Committees allocated to them as ordinary members of the Board, shall *ex officio* be members of all other Committees of the Board, other than the Audit Committee, (and, in the case of the Principal, the Remuneration and Nominations Committees), but such additional membership shall not confer the right to vote. The Principal may be invited to attend meetings of the Remuneration Committee when matters relating to the salary, terms and conditions of Senior Management Team are being considered.

**Quorum of Committees**

8.7 The quorum of any Committee shall normally be at least one third of the total number of its members, subject to a minimum of 3 where the substantive membership is 5 or more or 2 where the substantive membership is less than 5 unless otherwise stated in the appropriate Committee’s Terms of Reference. The majority of the quorum shall comprise independent members of the Board of Management.

**Minutes of Meetings of Committees**

8.8 The Minutes of Committees shall be submitted for confirmation as being correct records of the proceedings to the next appropriate meeting of the Committee and shall be submitted to the Board a for the information of the Board in respect of matters delegated to the Committee and b for the decision of the Board in respect of matters referred.

**Terms of Reference and Powers of Committees**

8.9 The Terms of Reference and Powers of Committees shall be as set out in the appendices to these Standing Orders.

**Application of Standing Orders to Committees and Sub-Committees**

8.10 The Board’s Standing Orders shall apply with any appropriate amendments to meetings of Committees and sub-Committees of the Board as they apply to meetings of the Board.

9 **Appointment and Reappointment of Board Members**

**Initial appointment of members**

9.1 The Nominations Committee shall take guidance from the Board of Management where vacancies exist and liaise with the UHI Nominations Committee for Incorporated College Boards. It will approve the recruitment and selection methods and schedule and ensure compliance with the terms laid out in College Sector Board Appointments: Ministerial Guidance.
The shortlisting and interview process for independent members will be chaired by the Chair of the Board of Management, whilst the Chair of the UHI FE Regional Board will chair panel meetings for the appointment of the Chair of the Perth College Board of Management.

Any recommendation of appointment by the Nominations Committee to the Board of Management will be subject to obtaining satisfactory references. Each recommendation shall be ratified by the full Board prior to the person taking their place on the Board of Management.

Appointments to the Board shall be for a period of 4 years in accordance with legislation, except for the Principal who remains a member as long as he/she is Principal and the Student Member whose term of office expires on 31st July following his/her appointment.

Election of Staff Members:

Two members of staff will be appointed as Board members; one Teaching and one Support. Staff Elections are held for vacancies as they arise, and are conducted as follows:

- All appropriate staff are informed of a vacancy and are invited to consider suitable nominations.
- All nominations must be received on the appropriate form and duly seconded.
- Where more than a single nomination is received, an election will be held, giving appropriate time for the relevant staff to register their vote.
- The count will be undertaken in the presence of an independent scrutineer.

Nomination of Student Members:

Two student members will be appointed to the Board following the election of a PCSA President and Convenors elected by his/her peers following the agreed procedures set out in the PCSA Constitution.

Reappointment of Members

Three months prior to the end of a member's term of office, the Clerk to the Board shall write and remind them of their end-date, and invite them to indicate their willingness to be considered for re-appointment (subject to the limits on membership of the Board).

When indicating a willingness to be considered for reappointment, the member shall complete a self-appraisal proforma which includes:

- A clear statement of willingness to be reappointed;
- Details of posts held;
- Attendance record at Board/Committee meetings;
- Any other relevant information;
- An indication to undertake surgeries or other duties as required;
- An indication to be available for consultation and advice and take an active interest in the College;
- A willingness to remain in sympathy with and generally support the strategy and policies of the Board;
- An indication of their willingness to be considered as a Committee Chair or Vice Chair if the opportunity arises.

9.9 The self-appraisal forms will be provided as supporting evidence to enable the Board to consider an extension and if approved, put forward a request for the proposed extension to the FE Regional Board.

9.10 The members shall withdraw from the meeting during the discussion of their re-election.

9.11 In the case of the Chair being considered for re-election to the Board, the Vice Chair or a nominated Convenor shall take the chair and the Chair will withdraw from the meeting.

9.12 Requests for an extension of appointment of the Chair will be put forward to the FE Regional Board for its consideration and approval.

Termination of Membership

9.13 Anyone who is an undischarged bankrupt; who has an inability to manage his/her own affairs; whose conduct is unbecoming at meetings, or when representing the College or who has an unspent conviction is prevented from being appointed to or continuing as a member of the Board of Management.

9.14 If it comes to the attention of the Chair or another Board member that a member may be suspected of any of the above categories, the Chair may invite the member to attend a meeting of the Nominations Committee where he/she will be given an opportunity to explain his/her position.

9.15 The Nominations Committee, having listened to the explanation, shall prepare a report and recommendation for consideration by the Board of Management. The decision of the Board of Management will be conveyed to the member by the Clerk to the Board of Management.

9.16 The member in question shall have 14 days in which to appeal against the Board's decision.

9.17 The appeal will be considered by the Chair; Convener of Audit, Principal, as the chief executive officer, and an independent observer. Should any of these noted be the member under consideration, their place on the appeals panel shall be taken by the Vice Chair.

9.18 The decision of the Appeals Panel will be final.
10 Admission to Meetings

10.1 Meetings of the Board, and its Committees, shall be open to the public except where the item of business to be determined relates to:

a a member of the Board of Management, a former member of the Board of Management, an employee, former employee or applicant for employment in relation to the College;

b a person who is, has been or is likely to be a student of the College;

c any information, the disclosure of which is prohibited by anything in any enactment;

d items of a confidential commercial nature.

10.2 Notwithstanding the exclusion of the public as detailed above, the Board may permit any person to remain in attendance at any meeting for so long as they consider necessary and on the basis that such persons respect the confidentiality of the proceedings.

10.3 Information as to the proceedings at any meeting from which the public are excluded shall not be given to the public or to any other person except by the Chair of the meeting or by a person authorised by him/her to do so.

10.4 No person or body shall be permitted, without the permission of the Board, to tape record, photograph, video, film or use any other form of electronic, digital or computerised sound or visual recording system during meetings at which they are present.

10.5 The Clerk to the Board shall ensure that Notice of each meeting of the Board and its Committees shall be displayed on the main College Notice Boards at least 7 days prior to the meeting and that a copy of the Agenda and papers for each such meeting (other than those relating to matters likely to be considered in private given what is seen as their confidential nature) are similarly placed in the College's Learning Resource Centre.

10.6 Where an item which was considered likely to be taken in private at such meetings is considered in public then, subject to the agreement of the Chair of the meeting, a copy of any paper relating to the matter shall be added by the Clerk to the Board as soon as reasonably practicable thereafter to the other papers for the meeting which were previously available to the public.

11 Disclosure of Interests

11.1 Members of the Board shall at all times be mindful of the need to observe the highest standards of probity, integrity and accountability in discharging their roles as members of the Board and in doing so shall be bound by whatever statutory rules, national guidelines, the College Development Network’s Guide for College Board Members and the Perth College Code of Conduct for Board Members which are in force at the time.
11.2 Without prejudice to the foregoing generality however the following shall apply:

a All members of the Board and Senior Managers of the College are required to complete and sign a Declaration of Interest form on a 6 monthly basis. Such interests shall also include those of close family members.

b All members of the Board and Senior Managers of the College are required to declare to the Clerk to the Board in writing any additional interests that arise throughout the year.

11.3 Any member who has a clear and substantial interest in a matter under discussion shall declare that interest, whether or not that interest is already declared in the Register of Interests. Such declaration should make clear the nature of the interest and whether it involves a matter of direct or indirect financial interest to the member. Where such an interest constitutes a direct or indirect interest, the member involved will not be permitted to vote on the matter under consideration and will normally be required to withdraw from the meeting while the matter is being considered and determined.

11.4 Where a member has an interest which is not financial but which is relevant to the activities of the College, that interest should also be declared. Where the interest is substantial the member involved shall withdraw from the meeting whilst the matter is being considered and determined.

11.5 In all circumstances members should ask themselves whether members of the public, knowing the facts of the situation, would reasonably conclude that the interest involved might influence the approach taken by the Board or Committee. If so, the interest is sufficient for the member to declare that interest.

11.6 Where no relevant interests are declared at a meeting, this shall be noted and a nil declaration statement minuted.

12 Risk Management

The Board of Management:

- has responsibility for overseeing Risk Management within the College;
- will set the tone and influence the culture of Risk Management within the College;
- approve major decisions affecting the College’s risk profile or exposure;
- monitor the management of significant risks to reduce the likelihood of unwelcome surprises or impact;
- satisfy itself that the less significant risks are being actively managed, with appropriate controls in place and working effectively;
- annually review the College’s approach to risk management and approve changes or improvements to key elements of its processes and procedures.
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Standing Committee Summary

Academic Affairs Committee

The Academic Affairs Committee oversees the academic and learner support activities of the College and provides guidance on issues related to the Learner Experience. It sets and monitors the College's curriculum and research strategies and reviews related policies.

Audit Committee

The College's Financial Memorandum with its Regional Strategic Body requires an Audit Committee. The Audit Committee ensures effective internal control systems are in place; ensures compliance with corporate governance requirements; reports to the Board on internal financial control prior to signing the financial statement and oversees risk. The Committee is also responsible for appointing the internal auditors and monitoring both internal and external auditors.

Chairs Committee

The Chairs’ Committee exercises the functions of the Board in any cases of urgency and provides an overview of Board operation.

Engagement Committee

The Engagement Committee is responsible for Board development and engagement with internal and external stakeholders. It is responsible for ensuring effective Board self-evaluation, monitoring organisational development and learner engagement and developing links with external stakeholders.

Finance and General Purposes Committee

The Finance and General Purposes Committee is responsible for monitoring the College's financial position and financial control systems. It approves all key financial decisions, approves the annual budget, considers the annual accounts and recommends for approval, oversees the system of financial control and delegated authority. It also considers any other matters relevant to the financial duties of the Board including human resource. It safeguards the College's estate, monitors the overall development of estates strategy and recommends on major capital projects to the Board.

Remuneration Committee

The Remuneration Committee is responsible for consideration of the Principal, Senior Management Team and Clerk to the Board's pay and conditions.
Search and Nominations Committee

The search and nominations committee makes recommendations on the Board's composition and the procedures for appointment of Board members.

AST Board of Directors

Air Services Training (Engineering) Limited is a wholly owned subsidiary of Perth College, accountable to the Board of Management through the Chair of the Board of Directors.
Academic Affairs Committee

Membership

Principal – Chair
2 Representatives of the Board of Management (one who will be Vice-Chair of the Committee)
2 Academic Staff Representatives
2 Support Staff Representatives
2 Student Representatives nominated by the Students’ Association
Vice Principal Academic
Curriculum and Business Engagement Director
International and Corporate Services Director
Head of Quality
Head of Student Services
Head of Student Records
Chair of Research and Scholarship Committee
Head of Academic Practice

Quorum

The quorum shall be 8 including the Chair or Vice Chair (note independent members of the Board can never be the majority in this committee).

Frequency of Meetings

Normally 3 times per academic session, and as required.

Terms of Reference

The Academic Affairs Committee shall ensure the overall quality and academic health of the College in respect of the student experience, teaching, research, and enterprise.

Within this overall remit the Academic Affairs Committee shall have the specific function and responsibilities listed below:

1 Proactively lead the development and review of the academic portfolio, in line with the College's Strategic Plan, to ensure it remains relevant in terms of Scottish Government policy and Industry developments across all sectors of the economy: private, public and third.

2 Ensure that the student experience remains at the heart of the academic offer and is continually benchmarked and reviewed in the context of best practice in the sector.

3 Promote best practice in regard to the teaching and learning environment in order to maximise and enhance student learning and achievement.

4 Commission research, and based on the outcomes of that research, propose actions to enhance quality and assure high standards in respect of the student experience and related pedagogical experience.

5 Be alert to factors likely to impact on the development and delivery of the academic portfolio eg student funding, Scottish Government policy, and sector developments.
6 On receiving reports and updates from other relevant College and UHI Committees, consider the implications for the College, and where appropriate act to ensure the relevance and currency of the academic offer.

7 Prioritise and make recommendations in respect of work force planning and continuing professional development, in so far as this underpins and enhances a dynamic College environment; the academic, research, scholarship and enterprise offer.

8 Review and endorse the College’s policies and strategies that relate directly to the student experience.

9 Instigate any actions it considers appropriate to maintain and enhance Perth College UHI as a centre of educational excellence.
Audit Committee

Membership

No fewer than 4 members of the Board of Management. **Ideally at least one member to have recent relevant financial or audit experience**

- Board members not eligible for appointment are the Chair of the Board, the Principal, the Chair of the Finance and General Purposes Committee, the persons elected by the teaching staff and the non-teaching staff of the College and the persons appointed by the Perth College Students' Association.

- No member of the Finance and General Purposes Committee shall also be a member of the Audit Committee.

- The Chair of the Board, the Principal and the Chair of the Finance and General Purposes Committee shall be invited to attend meetings.

- The Committee may sit privately without any non-members present for all or part of a meeting if they so decide.

- **The Committee should sit privately with the internal and external auditors without the Executive team present at least annually.**

- The College Executive will attend meetings at the invitation of the Committee Chair and provide information for Agenda items

In attendance

Director of Finance
Vice Principal, Academic
Vice Principal, Human Resources and Communications

Quorum

The Quorum shall be 3 members.

Frequency of Meetings

The Committee shall meet no less than 3 times per year.

Objectives

The Audit Committee's main responsibilities include advising the Board on whether:

- There are systems in place to ensure that the College's activities are managed in accordance with legislation and regulations governing the sector.

- A system of governance, internal control and risk management has been established and is being maintained, which provides reasonable assurance of effective and efficient operations and produces reliable financial information.

- There are systems in place to ensure the Committee engages with financial reporting issues.
Terms of Reference

Internal Control

1. Reviewing and advising the Board of Management of the internal and the external auditor's assessment of the effectiveness of the college's financial and other internal control systems, including controls specifically to prevent or detect fraud or other irregularities as well as those for securing economy, efficiency and effectiveness; and

2. Reviewing and advising the Board of Management on its compliance with corporate governance requirements and good practice guidance including a strategic overview of risk management.

3. Strategic oversight of Health and Safety, Freedom of Information and Data Protection on behalf of the Board.

Internal Audit

1. Advising the Board of Management on the selection, appointment or reappointment and remuneration, or removal of the internal audit provider.

2. Advising the Board of Management on the terms of reference for the internal audit service.

3. Reviewing the scope, efficiency and effectiveness of the work of internal audit, considering the adequacy of the resourcing of internal audit and advising the Board of Management on these matters.

4. Advising the Board of Management of the Audit Committee's approval of the basis for and the results of the internal audit needs assessment and the strategic and operational planning processes.

5. Approving the criteria for grading recommendations in assignment reports as proposed by the internal auditors.

6. Reviewing the internal auditor's monitoring of management action on the implementation of agreed recommendations reported in internal audit assignment reports and internal audit annual reports.

7. Considering salient issues arising from internal audit assignment reports, progress reports, annual reports and management's response thereto and informing the Board of Management thereof.

8. Informing the Board of Management of the Audit Committee's approval of the internal auditor's annual report.

9. Ensuring establishment of appropriate performance measures and indicators to monitor the effectiveness of the internal audit service.

10. Securing and monitoring appropriate liaison and co-ordination between internal and external audit.
11 Ensuring good communication between the Committee and the internal auditors.

12 Responding appropriately to notification of fraud or other improprieties received from the internal auditors or other persons.

13 Reviewing the Risk Management Register.

**External Audit**

The appointment of external auditors to the College is directed by Audit Scotland.

1 Considering the college's annual financial statements and the external auditor's report prior to submission to the Board of Management by the Finance Committee. Care should be taken, however, to avoid undertaking work that properly belongs to the Finance and General Purposes Committee. If within its terms of reference, the Committee should consider the external audit opinion, the Statement of Members' Responsibilities and any relevant issue raised in the external auditor's management letter.

2 Reviewing the external auditor's annual Management Letter and monitoring management action on the implementation of the agreed recommendations contained therein.

3 Advising the Board of Management of salient issues arising from the external auditor's management letter and any other external audit reports, and of management's response thereto.

4 Reviewing the statement of corporate governance.

5 Establishing appropriate performance measures and indicators to monitor the effectiveness of the external audit provision.

6 Reviewing the external audit strategy and plan.

7 Holding discussions with external auditors and ensuring their attendance at Audit Committee and Board of Management meetings as required.

8 Considering the objectives and scope of any non-statutory audit work undertaken or to be undertaken, by the external auditor's firm and advising the Board of Management of any potential conflict of interest.

9 Securing appropriate liaison and co-ordination between external and internal audit.

**Value for Money**

1 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 and the promotion of best practice and protocols, and reporting to the Board of Management thereon.
2 Advising the Board of Management on potential topics for inclusion in a programme of value for money reviews and providing a view on the party most appropriate to undertake individual assignments considering the required expertise and experience.

3 Advising the Board of Management of action that it may wish to consider in the light of national value for money studies in the further education sector.

Advice to the Board of Management

1 Reviewing the college’s compliance with the Code of Audit Practice and advising the Board of Management on this.

2 Producing an annual report for the Board of Management.

3 Advising the Board of Management of significant, relevant reports from the Scottish Funding Council and National Audit Office and successor bodies and, where appropriate, management’s response thereto.

4 Reviewing reported cases of impropriety to establish whether they have been appropriately handled.
Chair’s Committee Terms of Reference

Membership

The Chair of the Board of Management.
The Vice Chair of the Board of Management.
The Chair of each of the Standing Committees of the Board.
The Principal (ex officio).

If a Standing Committee Chair is not able to attend a meeting of the Chairs’ Committee, the Standing Committee Vice Chair or a Standing Committee member are to be invited to deputise for the Committee Chair.

Quorum

The Quorum shall be 3 members.

Frequency of Meetings

The Committee shall meet not less than 4 times per year.

Terms of Reference

The Chairs’ Committee shall:

1 Exercise the functions of the Board in any cases of urgency of which the Chair of the Board with the Vice Chair or the Chair of a Standing Committee shall be the judge and where it is not practicable to convene a meeting of the full Board. The Chair of the Board shall seek to consult with no less than 2 other members of the Chairs’ Committee on any matters requiring Chairs’ action.

2 At the specific request of the Board consider matters of special interest which are not within the remit of another Standing Committee.

3 Maintain an overview of the work of the Board and Committees, planning and coordinating activity as required to ensure the primary responsibilities and functions of the Board are discharged through the Board of Management and established Standing Committee structure.

4 To consider strategic matters and future issues including horizon scanning external developments in order to advise the Board on future proofing the strategic plan.

5 To review annually the membership and terms of reference of the Board’s Standing Committees and the overall effectiveness of the Board’s Committee Structure and to recommend to the Board any amendments or additions considered appropriate.
Engagement Committee

Membership

Chair of Academic Affairs Committee (ex officio).
No fewer than 3 other Board of Management members, to include one staff member.
2 student members nominated by the Perth College Students’ Association (PCSA).

In attendance

Vice Principal, Academic
Vice Principal, Human Resources and Communications
Business Engagement Director

Quorum

The quorum shall be 3 members.

Frequency of Meetings

The Committee shall meet no less than 3 times per year.

Terms of Reference

This committee is responsible for Board development and engagement with staff, students and external stakeholders.

Student Engagement

1. To ensure the Board is working proactively to ensure effective Board engagement with the student experience.

2. To oversee the PCSA Advisory Committee as a Sub Committee of the Engagement Committee and have oversight of key PCSA developments and governance arrangements.

3. To ensure effective management of the PCSA President.

4. To receive regular reports from the Student Representative Council and monitor the College response to student concerns.

5. To receive regular reports from Management and Students on progress with student engagement in the operation of the College.

External Stakeholder Engagement

6. Provide direction on the strategic priorities in relation to external engagement across the College.

7. Contribute to the College awareness of its market position in Perth and Kinross through dialogue with the Board of Management members’ own external, governmental, private and third sector contacts.
8 Review the College's external environment and interpretation of relevant information with the purpose of providing leadership on the currency of the strategic direction.

9 To be aware of and input on behalf of the College to the range of external business engagement groups and initiatives the College is involved with (e.g., the Perth and Kinross Young Work Force Group, the Perth and Kinross Community Planning Partnership, Perth City Development Trust, the Outcome Delivery Group).

10 To represent the College with peers across the UHI Academic Partners.

**Human Resources and Organisational Development**

11 To oversee the development and auditing of organisational engagement strategies.

12 To monitor the staff survey and organisational development and engagement perspective of the Balanced Scorecard.

13 To monitor progress of our general and specific duties under the Equalities Act through review of reports and action plans.

**Board Development**

14 To develop procedures for the induction and ongoing training and development of Board members.

15 To ensure Board members are able to operate effectively and to develop into the roles of Chair of Committee and Vice Chair as appropriate.

16 To ensure effective self-evaluation of the Board and its Standing Committees.

17 To develop the programme for an annual Board Development day.
Finance and General Purposes Committee

Membership

Chairman (ex officio)
Vice Chairman (ex officio)
Principal (ex officio)
No fewer than 2 other Board of Management members

In attendance

Director of Finance
Vice Principal, Human Resources and Communications

Quorum

The quorum shall be 3 members of which at least 2 to be independent Board of Management members.

Frequency of Meetings

The Committee shall meet no less than 4 times per year.

Terms of Reference

1  Consideration of the annual estimate of revenue income and expenditure.

2  Consideration of the annual estimate of capital income and expenditure.

3*  Responsibility to ensure that appropriate control systems are in place:

   a  To administer and control all revenue and capital grants received from the Scottish Government and all other sources.

   b  To administer and control the payment of all monies due and the collection of all income due.

   c  To ensure the efficient management of the College Catering Service and Food Court and Halls of Residence.

   d  To administer and control matters relating to the repair, maintenance and upkeep of land, buildings etc.

4  Liaison with the Audit Committee in reporting to the Board on the state of the College's finances.

5  Consideration and approval of the College's Financial Regulations and Procedures, ensuring their implementation, monitoring and review in relation to all matters financial, including approving organisations in which funds may be invested and setting investment limits.
6 Generally the formulation of advice to the Board on financial matters and the supervision of the financial affairs of the Board.

7 Strategic oversight of procurement, contract management and ICT service level agreement on behalf of the Board.

8* Consideration of tenders received for any works the cost of which are in excess of £50,000.

9 The acquisition and/or disposal of heritable property whether by purchase/sale or lease.

10* Consideration of any proposals to obtain plant equipment furnishings or fittings the cost of which is expected to be more than £50,000.

11 Consideration and assessment of priorities for capital grant for new building work or the major modification of existing buildings. Recommendations to the Board on issues relating to College estates and resources

12 The oversight of the Board's statutory functions and responsibilities as an employer of the staff of the College.

13 Consideration of all matters relating to:

   a The establishment and staffing structure of the College.

   b The salaries, wages and conditions of service of all staff except the Principal, Executive and Managers as individual contracts with the Board.

14 Responsibilities for early retirement/early severance policy.

15 Oversight of the disciplinary and grievance policies and procedures of the College.

16 Consideration of matters relating to staff relations including union recognition and local bargaining agreements.

The functions marked thus * stand delegated.
Remuneration Committee – Revised Terms of Reference

Membership

Chairman.
Vice Chairman.
The Chair of each of the Standing Committees of the Board.
The Chair of the Board of Management shall not chair the Remuneration Committee.

Quorum

The Quorum shall be 3 members.

Frequency of Meetings

The Committee shall meet no less than once per year.

Terms of Reference

To consider and make recommendations to the Chair's Committee on the remuneration package of the College Principal and such other senior staff whose remuneration and other terms and conditions are individually agreed with the Board, taking into account:

1. That College senior management should be fairly rewarded for their individual performance and contribution to the college's overall performance.

2. Where, in terms of senior management remuneration, the College stands in relation to other comparable institutions in the sector.

3. The Scottish Government's approach to remuneration in the public sector (suggested amendment);

4. The relationship between the remuneration of the senior management and that of other employees of the college.

5. The benefits granted to Senior Management.

6. The adequacy of pension arrangements and also the cost implication of pension arrangements, including the pension effect of remuneration proposals.

Authority

The Remuneration Committee is accountable to the Board of Management and is authorised on its behalf to:

1. Set and agree key objectives for the Principal annually. This will be carried out by the Chair on behalf of the Committee, and should seek the views of students and staff in setting the performance measures;

2. Conduct an Annual Review and Appraisal by the 31st July and base the appraisal on the progress achieved against the targets identified in the Strategic Plan. This will be
carried out by the Chair on behalf of the Committee and the outcome will be reported to the Remuneration Committee.

3  Conduct a salary review on the basis of that appraisal using evidence from other sources. This may involve evidence gathered and submitted by staff and students, or other evidence such as benchmarks of remuneration packages at other colleges.

4  Consider whether any remuneration received by the Principal from third party sources which relate either directly or indirectly to any College activities and which must be declared to the Remuneration Committee, has any bearing on the level of the Principal's salary.

5  Keep under review specific details of the contract of employment between the Board of Management of Perth College and the Principal.

6  The Principal should attend the Remuneration Committee for the consideration of salaries that are based on the Principal's recommendation.

7  Consider and approve any responsibility payments or nonconsolidated payments recommended by the Principal for Senior Management.

8  Consider and agree severance arrangements in respect of Senior Management post holders and ensure such arrangements are in accordance with SFC Guidance.
Board of Directors of Air Service Training (Engineering) Limited

Membership

2 Directors from Perth College Board of Management (to be Chair and Vice Chair).
Principal and Chief Executive of Perth College UHI.
Chief Executive of Air Service Training (Engineering) Limited.
At least 1 external non-executive Director.

Quorum

The quorum shall be 4 members, at least one of whom to be the Chair or Vice Chair.

In attendance

Director of Finance of Perth College.
Company Secretary.
Up to 2 co-opted members.

Frequency of Meetings

The Board shall meet no less than 4 times per year.

Terms of Reference

1  To approve, monitor and review strategy in relation to the generation on new business opportunities.

2  To consider and promote proposals for enhancing the efficiency and effectiveness of the company.

3  To consider market opportunities and to make decisions on marketing strategies and plans to address these opportunities.

4  To monitor and review the actual performance against the budget and forecasts in respect of progress towards achieving the business plan.

5  To recommend the annual accounts for approval to the Board of Management of Perth College, through the Finance and General Purposes Committee of Perth College.

6  To monitor and review the annual budget and 3 yearly business plan for Air Service Training (Engineering) Limited and to recommend its approval for inclusion in the Strategic Plan to the Board of Management of Perth College.

7  To receive and consider reports regarding the award of commercially focussed contracts.

8  To consider the physical development of Air Service Training (Engineering) Limited and make recommendations to the Board of Management of Perth College.

9  To consider all commercial and any other business aspects relating to Air Service Training (Engineering) Limited.
Scheme of Delegation

1 Introduction
This scheme of delegation specifies the functions which are delegated by the Board of Management (the "Board") in terms of Section 12(4) of the Further and Higher Education (Scotland) Act 1992 ("the Act").

All delegations must be exercised in accordance with regard to any lawful direction and/or guidance subsequently issued by the Scottish Funding Council. All delegations should also ensure compliance with any relevant provisions of the Scottish Public Finance Manual and follow procedures consistent with the guidance contained in the Delegated Authority section of the Scottish Public Finance Manual.

2 Compliance
The Board may from time to time amend, replace and/or supplement the terms of this Scheme of Delegation. Nothing in this Scheme of Delegation shall require the Board to delegate the performance of any of its functions and the Board may at any time and from time to time carry out any function that has been delegated in accordance with this Scheme of Delegation or withdraw, amend and/or replace any delegation made by the Board pursuant hereto.

3 Review
The Scheme of Delegation will be reviewed at least every 3 years, or earlier should it be considered necessary by the Board of Management, or to bring the Scheme of Delegation into line with new Memoranda or guidance.

4 Delegation to the Chair of the Board of Management
The Chair of the Board of Management is authorised:

4.1 To take such measures as may be required in emergencies, after consultation with the chair of the relevant Committee and with the Principal, subject to reporting to the appropriate Committee or to the board as soon as possible thereafter on any items for which approval of the committee or the Board would normally be necessary.

4.2 To exercise judgement in the event of a need for an urgent decision during the period between Board meetings such that: either an emergency board meeting is called in the case of material decisions; or to make the required decision, subject to homologation at the next Board meeting.

4.3 To authorise expense claims on behalf of the Principal where such claims arise out of expenditure incurred in the performance of the Principal's normal duties, ensuring in doing so that such authorisations comply with the current Financial Regulations or any other policies adopted by the Board from time to time; and

4.5 To sign the College's Annual Accounts and Financial Statements prior to its submission to the SFC and after it has been approved by the Board.

4.6 To undertake an annual review of the performance of the Principal including the setting of key performance targets or indictors as required.
4.7 To undertake an annual review of the performance of the Clerk to the Board including the setting of performance targets or indictors as required.

4.8 To consider the role of the Board in circumstances where the performance of the Principal falls short of expectations but subject to professional advice being sought.

4.9 To represent the Board as and when required.

5 Delegation to Committees of the Board of Management

5.1 Each Committee of the Board is delegated all functions relative to:

a the respective terms of reference of those Committees as detailed in the respective terms of reference so listed;

b any Minutes of the Board making a special delegation to a Committee.

5.2 Each Committee may exercise and perform on behalf of and in the name of the Board all of the authority, powers and duties of the Board in relation to the functions so delegated.

5.3 The Chair of each Committee is authorised to act on behalf of the Board between cycles so far as such acts relate to matters within the remit of the Committee of which he or she is Chair.

6 Delegation to the Principal

6.1 The Principal, as Chief Executive of the College, is responsible for the operational management of the College subject to strategic direction of the Board.

6.2 The Principal is authorised and empowered:

a subject to the express reservations to the Board, to manage the College and to direct its operations and facilitate the management of the College within the framework determined by the College Strategic and Operational Plans, the approved budget and any other policies determined from time to time by the Board;

b to take such measures as may be required in emergencies subject to advising the Chair of the Board, where possible, and subsequently reporting to the appropriate Committee or to the Board as soon as possible thereafter any items for which approval of the Committee or Board would normally be necessary; and

c consistent with this Scheme of Delegation, to delegate such powers, responsibilities and authority to such members of staff of the Board as the Principal may from time to time determine.
General

6.4 to consult and negotiate with representatives of recognised trades unions and professional associations on behalf of the Board;

6.5 to provide financial or other assistance to the Students' Union of the College within the terms of any scheme of establishment or policy of the Board;

6.6 to apply to the appropriate authority for any necessary statutory consents;

6.7 where it is competent and in the interests of the College to do so, to lodge with the appropriate authority, objections to the grant of any permission, licence, warrant etc;

6.8 to accept gifts of money, other property and services on behalf of the College and (in accordance with the College's policy on the receipt of gifts) and: determine their application; or set up a trust to hold or administer them for the purpose for which they have been established;

Finance, Contracts and Procurement

6.9 The College must obtain, through the Regional Strategic Body, SFC's prior written approval before entering into any undertaking to incur any expenditure that falls out with the specific delegated financial limits set out in Appendix A of the Financial Memorandum between the Regional Strategic Body and the College.

6.10 Subject to reporting the same to the Board as soon as is reasonably practicable, to:

   a enter into and negotiate contracts and other binding arrangements for the supply of goods and services (whether bought, leased, hired or otherwise acquired) to the College on behalf of the Board all in accordance with the College's Contract Procurement Procedures;
   b incur individual items of capital expenditure up to an amount of £150,000;
   c sign, for and on behalf of the Board, European Social Fund and other Public Authority Support Certificates; and
   d to make arrangements with insurance companies concerning the settlement of claims up to a value of £50,000;

6.11 to terminate contracts or to authorise the termination of contracts except in cases where the contracts have been specifically approved either by the Board or a Committee;

6.12 to administer any educational endowment which transferred to and vested in the Board in terms of section 19(1) of the Further and Higher Education (Scotland) 1992 Act;

6.13 on receipt of valid claims, to pay to members of the Board or co-opted members of the Board's Committees (whether or not they are also members of the Board) such allowances and expenses as the Board may have determined after taking cognisance of guidance issued by the SFC;
6.14 to vire monies from expenditure heads within agreed budgets taking account of and complying with the College's financial regulations;

6.15 to sign and date the report of the Board of the Annual Accounts in terms of the accounts direction given by the Scottish Ministers under paragraph 18 of Schedule 2 to the Further and Higher Education (Scotland) 1992 Act;

**Employees and Board Members**

6.16 to review the performance of members of the College Senior Management Team against predetermined targets as determined from time to time by the Performance Review and Remuneration Committee; and

6.17 to authorise Protection of Vulnerable Groups Scheme (PVG) checks from Disclosure Scotland on all Board Members appointed by the College.

**7 Delegation to the Clerk to the Board**

7.1 The Clerk to the Board is authorised:

a. to keep proper records and Minutes of the Board's and Committees' proceedings and to prepare agendas, draft minutes and agreed minutes of all meetings of the Board or any Committee;

b. to make available for inspection at the principal office of the College copies of the Agenda, draft Minutes and agreed Minutes of any meeting of the Board or any Committee and also of any report or other document (other to those marked confidential) considered by such a meeting;

7.2 to maintain the Register of Interests of the members of the Board and members of the senior management team;

7.3 to arrange for any elections to the Board from teaching and non-teaching staff at the College;

7.4 to receive resignations from the Board and to inform the Board and the Regional Strategic body of vacancies and impending vacancies; and

7.5 to act on behalf of the Board, when authorised, as their representative and to enter into correspondence in any matter as directed by the Board.
Code of Conduct for Members of the Board of Management

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**Section 1: Introduction to the Code of Conduct**

1.1 The Scottish public has a high expectation of those who serve on the boards of public bodies and the way in which they should conduct themselves in undertaking their duties. You must meet those expectations by ensuring that your conduct is above reproach.

1.2 The Ethical Standards in Public Life etc (Scotland) Act 2000, "the Act", provides for Codes of Conduct for local authority councillors and members of relevant public bodies; imposes on councils and relevant public bodies a duty to help their members to comply with the relevant code; and establishes a Standards Commission for Scotland, "The Standards Commission" to oversee the new framework and deal with alleged breaches of the codes.

1.3 The Act requires the Scottish Ministers to lay before Parliament a Code of Conduct for Councillors and a Model Code for Members of Devolved Public Bodies. The Model Code for members was first introduced in 2002 and has now been revised in December 2013 following consultation and the approval of the Scottish Parliament. These revisions will make it consistent with the relevant parts of the Code of Conduct for Councillors, which was revised in 2010 following the approval of the Scottish Parliament.

1.4 As a member of the Board of Management of Perth College UHI "the Board", it is your responsibility to make sure that you are familiar with, and that your actions comply with, the provisions of this Code of Conduct which has now been made by the Board.

**Appointments to the Boards of Public Bodies**

1.5 Public bodies in Scotland are required to deliver effective services to meet the needs of an increasingly diverse population. In addition, the Scottish Government's equality outcome on public appointments is to ensure that all appointments are more diverse than at present. In order to meet both of these aims, a board should ideally be drawn from varied backgrounds with a wide spectrum of characteristics, knowledge and experience. It is crucial to the success of public bodies that they attract the best people for the job and therefore it is essential that a board's appointments process should encourage as many suitable people to apply for positions and be free from unnecessary barriers. You should therefore be aware of the varied roles and functions of the public body on which you serve and of wider diversity and equality issues.

1.6 You should also familiarise yourself with how the public body's policy operates in relation to succession planning, which should ensure the public body have a strategy to make sure they have the staff in place with the skills, knowledge and experience necessary to fulfil their role economically, efficiently and effectively.
Guidance on the Code of Conduct

1.7 You must observe the rules of conduct contained in this Code. It is your personal responsibility to comply with these and review regularly, and at least annually, your personal circumstances with this in mind, particularly when your circumstances change. You must not at any time advocate or encourage any action contrary to the Code of Conduct.

1.8 The Code has been developed in line with the key principles listed in Section 2 and provides additional information on how the principles should be interpreted and applied in practice. The Standards Commission may also issue guidance. No Code can provide for all circumstances and if you are uncertain about how the rules apply, you should seek advice from the public body. You may also choose to consult your own legal advisers and, on detailed financial and commercial matters, seek advice from other relevant professionals.

1.9 You should familiarise yourself with the Scottish Government publication "On Board – a guide for board members of public bodies in Scotland". This publication will provide you with information to help you in your role as a member of a public body in Scotland and can be viewed on the Scottish Government website.

Enforcement

1.10 Part 2 of the Ethical Standards in Public Life etc (Scotland) Act 2000 sets out the provisions for dealing with alleged breaches of this Code of Conduct and where appropriate the sanctions that will be applied if the Standards Commission finds that there has been a breach of the Code. Those sanctions are outlined in Annex A.
Section 2: Key Principles of the Code of Conduct

2.1 The general principles upon which this Code is based should be used for guidance and interpretation only. These general principles are:

**Duty**
You have a duty to uphold the law and act in accordance with the law and the public trust placed in you. You have a duty to act in the interests of the public 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 public interest. 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 public body when carrying out public business including making appointments, awarding contracts or recommending individuals for rewards and benefits.

**Accountability and Stewardship**
You are accountable for your decisions and actions to the public. You have a duty to consider issues on their merits, taking account of the views of others and must ensure that the public body 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 the wider public interest clearly demands.

**Honesty**
You have a duty to act honestly. You must declare any private interests relating to your public duties and take steps to resolve any conflicts arising in a way that protects the public interest.

**Leadership**
You have a duty to promote and support these principles by leadership and example, and to maintain and strengthen the public’s trust and confidence in the integrity of the public body and its members in conducting public business.

**Respect**
You must respect fellow members of your public body and employees of the body 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 your public body.

2.2 You should apply the principles of this Code to your dealings with fellow members of the public body, its employees and other stakeholders. Similarly you should also observe the principles of this Code in dealings with the public when performing duties as a member of the public body.
Section 3: General Conduct

3.1 The rules of good conduct in this section must be observed in all situations where you act as a member of the public body.

Conduct at Meetings

3.2 You must respect the chair, your colleagues and employees of the public body in meetings. You must comply with rulings from the chair in the conduct of the business of these meetings.

Relationship with Board Members and Employees of the Public Body (including those employed by contractors providing services)

3.3 You will treat your fellow board members and any staff employed by the body with courtesy and respect. It is expected that fellow board members and employees will show you the same consideration in return. It is good practice for employers to provide examples of what is unacceptable behaviour in their organisation. Public bodies should promote a safe, healthy and fair working environment for all. As a board member you should be familiar with the policies of the public body in relation to bullying and harassment in the workplace and also lead by exemplar behaviour.

Remuneration, Allowances and Expenses

3.4 You must comply with any rules of the public body regarding remuneration, allowances and expenses.

Gifts and Hospitality

3.5 You must not accept any offer by way of gift or hospitality which could give rise to real or substantive personal gain or a reasonable suspicion of influence on your part to show favour, or disadvantage, to any individual or organisation. You should also consider whether there may be any reasonable perception that any gift received by your spouse or cohabitee or by any company in which you have a controlling interest, or by a partnership of which you are a partner, can or would influence your judgement. The term "gift" includes benefits such as relief from indebtedness, loan concessions or provision of services at a cost below that generally charged to members of the public.

3.6 You must never ask for gifts or hospitality.

3.7 You are personally responsible for all decisions connected with the offer or acceptance of gifts or hospitality offered to you and for avoiding the risk of damage to public confidence in your public body. As a general guide, it is usually appropriate to refuse offers except:

a isolated gifts of a trivial character;
b normal hospitality associated with your duties and which would reasonably be regarded as appropriate; or
c gifts received on behalf of the public body.
3.8 You must not accept any offer of a gift or hospitality from any individual or organisation which stands to gain or benefit from a decision your body may be involved in determining, or who is seeking to do business with your organisation, and which a person might reasonably consider could have a bearing on your judgement. If you are making a visit in your capacity as a member of your public body then, as a general rule, you should ensure that your body pays for the cost of the visit.

3.9 You must not accept repeated hospitality or repeated gifts from the same source.

3.10 Members of devolved public bodies should familiarise themselves with the terms of the Bribery Act 2010 which provides for offences of bribing another person and offences relating to being bribed.

Confidentiality Requirements

3.11 There may be times when you will be required to treat discussions, documents or other information relating to the work of the body in a confidential manner. You will often receive information of a private nature which is not yet public, or which perhaps would not be intended to be public. You must always respect the confidential nature of such information and comply with the requirement to keep such information private.

3.12 It is unacceptable to disclose any information to which you have privileged access, for example derived from a confidential document, either orally or in writing. In the case of other documents and information, you are requested to exercise your judgement as to what should or should not be made available to outside bodies or individuals. In any event, such information should never be used for the purposes of personal or financial gain, or for political purposes or used in such a way as to bring the public body into disrepute.

Use of Public Body Facilities

3.13 Members of public bodies must not misuse facilities, equipment, stationery, telephony, computer, information technology equipment and services, or use them for party political or campaigning activities. Use of such equipment and services etc must be in accordance with the public body’s policy and rules on their usage. Care must also be exercised when using social media networks not to compromise your position as a member of the public body.

Appointment to Partner Organisations

3.14 You may be appointed, or nominated by your public body, as a member of another body or organisation. If so, you are bound by the rules of conduct of these organisations and should observe the rules of this Code in carrying out the duties of that body.

3.15 Members who become directors of companies as nominees of their public body will assume personal responsibilities under the Companies Acts. It is possible that conflicts of interest can arise for such members between the company and the public body. It is your responsibility to take advice on your responsibilities to the public body and to the company. This will include questions of declarations of interest.
Section 4: Registration of Interests

4.1 The following paragraphs set out the kinds of interests, financial and otherwise which you have to register. These are called “Registerable Interests”. You must, at all times, ensure that these interests are registered, when you are appointed and whenever your circumstances change in such a way as to require change or an addition to your entry in the body’s Register. It is your duty to ensure any changes in circumstances are reported within one month of them changing.

4.2 The Regulations as amended describe the detail and timescale for registering interests. It is your personal responsibility to comply with these regulations and you should review regularly and at least once a year your personal circumstances.

Annex B contains key definitions and explanatory notes to help you decide what is required when registering your interests under any particular category. The interests which require to be registered are those set out in the following paragraphs and relate to you. It is not necessary to register the interests of your spouse or cohabitee. 1 SSI – The Ethical Standards in Public Life etc (Scotland) Act 2000 (Register of Interests) Regulations 2003 Number 135, as amended.

Category One: Remuneration

4.3 You have a Registerable Interest where you receive remuneration by virtue of being:

- employed;
- self-employed;
- the holder of an office;
- a director of an undertaking;
- a partner in a firm; or
- undertaking a trade, profession or vocation or any other work.

4.4 In relation to 4.3 above, the amount of remuneration does not require to be registered and remuneration received as a member does not have to be registered.

4.5 If a position is not remunerated it does not need to be registered under this category. However, unremunerated directorships may need to be registered under category 2, "Related Undertakings".

4.6 If you receive any allowances in relation to membership of any organisation, the fact that you receive such an allowance must be registered.

4.7 When registering employment, you must give the name of the employer, the nature of its business, and the nature of the post held in the organisation.

4.8 When registering self-employment, you must provide the name and give details of the nature of the business. When registering an interest in a partnership, you must give the name of the partnership and the nature of its business.

4.9 Where you undertake a trade, profession or vocation, or any other work, the detail to be given is the nature of the work and its regularity. For example, if you write for a newspaper, you must give the name of the publication, and the frequency of articles for which you are paid.
4.10 When registering a directorship, it is necessary to provide the registered name of the undertaking in which the directorship is held and the nature of its business.

4.11 Registration of a pension is not required as this falls outside the scope of the category.

**Category 2: Related Undertakings**

4.12 You must register any directorships held which are themselves not remunerated but where the company (or other undertaking) in question is a subsidiary of, or a parent of, a company (or other undertaking) in which you hold a remunerated directorship.

4.13 You must register the name of the subsidiary or parent company or other undertaking and the nature of its business, and its relationship to the company or other undertaking in which you are a director and from which you receive remuneration.

4.14 The situations to which the above paragraphs apply are as follows:

- you are a director of a board of an undertaking and receive remuneration declared under category one – and
- you are a director of a parent or subsidiary undertaking but do not receive remuneration in that capacity.

**Category 3: Contracts**

4.15 You have a registerable interest where you (or a firm in which you are a partner, or an undertaking in which you are a director or in which you have shares of a value as described in paragraph 4.19 below) have made a contract with the public body of which you are a member:

i under which goods or services are to be provided, or works are to be executed; and

ii which has not been fully discharged.

4.16 You must register a description of the contract, including its duration, but excluding the consideration.

**Category 4: Houses, Land and Buildings**

4.17 You have a registerable interest where you own or have any other right or interest in houses, land and buildings, which may be significant to, of relevance to, or bear upon, the work and operation of the body to which you are appointed.

4.18 The test to be applied when considering appropriateness of registration is to ask whether a member of the public acting reasonably might consider any interests in houses, land and buildings could potentially affect your responsibilities to the organisation to which you are appointed and to the public, or could influence your actions, speeches or decision making.
Category 5: Interest in Shares and Securities

4.19 You have a registerable interest where you have an interest in shares comprised in the share capital of a company or other body which may be significant to, of relevance to, or bear upon, the work and operation of a the body to which you are appointed and b the nominal value of the shares is:

i greater than 1% of the issued share capital of the company or other body; or

ii greater than £25,000.

Where you are required to register the interest, you should provide the registered name of the company in which you hold shares; the amount or value of the shares does not have to be registered.

Category 6: Gifts and Hospitality

4.20 You must register the details of any gifts or hospitality received within your current term of office. This record will be available for public inspection. It is not however necessary to record any gifts or hospitality as described in paragraph 3.7 a to c of this Code.

Category 7: Non-Financial Interests

4.21 You may also have a registerable interest if you have non-financial interests which may be significant to, of relevance to, or bear upon, the work and operation of the body to which you are appointed. It is important that relevant interests such as membership or holding office in other public bodies, clubs, societies and organisations such as trades unions and voluntary organisations, are registered and described.

4.22 In the context of non-financial interests, the test to be applied when considering appropriateness of registration is to ask whether a member of the public might reasonably think that any non-financial interest could potentially affect your responsibilities to the organisation to which you are appointed and to the public, or could influence your actions, speeches or decision-making.
Section 5: Declaration of Interests

General

5.1 The key principles of the Code, especially those in relation to integrity, honesty and openness, are given further practical effect by the requirement for you to declare certain interests in proceedings of the public body. Together with the rules on registration of interests, this ensures transparency of your interests which might influence, or be thought to influence, your actions.

5.2 Public bodies inevitably have dealings with a wide variety of organisations and individuals and this Code indicates the circumstances in which a business or personal interest must be declared. Public confidence in the public body and its members depends on it being clearly understood that decisions are taken in the public interest and not for any other reason.

5.3 In considering whether to make a declaration in any proceedings, you must consider not only whether you will be influenced but whether anybody else would think that you might be influenced by the interest. You must, however, always comply with the objective test ("the objective test") which is whether a member of the public, with knowledge of the relevant facts, would reasonably regard the interest as so significant that it is likely to prejudice your discussion or decision making in your role as a member of a public body.

5.4 If you feel that, in the context of the matter being considered, your involvement is neither capable of being viewed as more significant than that of an ordinary member of the public, nor likely to be perceived by the public as wrong, you may continue to attend the meeting and participate in both discussion and voting. The relevant interest must however be declared. It is your responsibility to judge whether an interest is sufficiently relevant to particular proceedings to require a declaration and you are advised to err on the side of caution. If a board member is unsure as to whether a conflict of interest exits, they should seek advice from the board chair.

5.5 As a member of a public body you might serve on other bodies. In relation to service on the boards and management committees of limited liability companies, public bodies, societies and other organisations, you must decide, in the particular circumstances surrounding any matter, whether to declare an interest. Only if you believe that, in the particular circumstances, the nature of the interest is so remote or without significance, should it not be declared. You must always remember the public interest points towards transparency and, in particular, a possible divergence of interest between your public body and another body. Keep particularly in mind the advice in paragraph 3.15 of this Code about your legal responsibilities to any limited company of which you are a director.

Interests which Require Declaration

5.6 Interests which require to be declared if known to you may be financial or non-financial. They may or may not cover interests which are registerable under the terms of this Code. Most of the interests to be declared will be your personal interests but, on occasion, you will have to consider whether the interests of other persons require you to make a declaration. The paragraphs which follow deal with a your financial interests b your non-financial interests and c the interests, financial and non-financial, of other persons.
5.7 You will also have other private and personal interests and may serve, or be associated with, bodies, societies and organisations as a result of your private and personal interests and not because of your role as a member of a public body. In the context of any particular matter you will need to decide whether to declare an interest. You should declare an interest unless you believe that, in the particular circumstances, the interest is too remote or without significance. In reaching a view on whether the objective test applies to the interest, you should consider whether your interest (whether taking the form of association or the holding of office) would be seen by a member of the public acting reasonably in a different light because it is the interest of a person who is a member of a public body as opposed to the interest of an ordinary member of the public.

Your Financial Interests

5.8 You must declare, if it is known to you, any financial interest (including any financial interest which is registerable under any of the categories prescribed in Section 4 of this Code). If, under category one (or category 7 in respect of non-financial interests) of section 4 of this Code, you have registered an interest:

- a as the Principal of the College;
- b as a member of the teaching staff of the College having been elected from their number to the Board;
- c as a member of the non-teaching staff of the College having been elected from their number to the Board;
- d as a student of the College having been nominated by the Students’ Association of the College to the Board; or
- e in relation to any particular experience or position which was relevant to a reason for your appointment to the public body (for example, as director of an education authority).

You do not, for that reason alone, have to declare that interest. There is no need to declare an interest which is so remote or insignificant that it could not reasonably be taken to fall within the objective test. You must withdraw from the meeting room until discussion of the relevant item where you have a declarable interest is concluded. There is no need to withdraw in the case of an interest which is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

Your Non-Financial Interests

5.9 You must declare, if it is known to you, any non-financial interest if:

- i that interest has been registered under category seven (Non-Financial Interests) of Section 4 of the Code; or
- ii that interest would fall within the terms of the objective test.

There is no need to declare an interest which is so remote or insignificant that it could not reasonably be taken to fall within the objective test. You must withdraw from the meeting room until discussion of the relevant item where you have a declarable interest is concluded. There is no need to withdraw in the case of an interest which is so remote or insignificant that it could not reasonably be taken to fall within the objective test.
The Financial Interests of Other Persons

5.10 The Code requires only your financial interests to be registered. You also, however, have to consider whether you should declare any financial interest of certain other persons.

You must declare if it is known to you any financial interest of:

i a spouse, a civil partner or a co-habitee;
ii a close relative, close friend or close associate;
iii an employer or a partner in a firm;
iv a body (or subsidiary or parent of a body) of which you are a remunerated member or director;
v a person from whom you have received a registerable gift or registerable hospitality;
vi a person from whom you have received registerable expenses.

There is no need to declare an interest if it is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

You must withdraw from the meeting room until discussion of and voting on the relevant item where you have a declarable interest is concluded. There is no need to withdraw in the case of an interest which is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

5.11 This Code does not attempt the task of defining "relative" or "friend" or "associate". Not only is such a task fraught with difficulty but is also unlikely that such definitions would reflect the intention of this part of the Code. The key principle is the need for transparency in regard to any interest which might (regardless of the precise description of relationship) be objectively regarded by a member of the public, acting reasonably, as potentially affecting your responsibilities as a member of the public body and, as such, would be covered by the objective test.

The Non-Financial Interests of Other Persons

5.12 You must declare if it is known to you any non-financial interest of:

i a spouse, a civil partner or a co-habitee;
ii a close relative, close friend or close associate;
iii an employer or a partner in a firm;
iv a body (or subsidiary or parent of a body) of which you are a remunerated member or director;
v a person from whom you have received a registerable gift or registerable hospitality;
vi a person from whom you have received registerable election expenses.

There is no need to declare the interest if it is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

There is only a need to withdraw from the meeting if the interest is clear and substantial.
Making a Declaration

5.13 You must consider at the earliest stage possible whether you have an interest to declare in relation to any matter which is to be considered. You should consider whether agendas for meetings raise any issue of declaration of interest. Your declaration of interest must be made as soon as practicable at a meeting where that interest arises. If you do identify the need for a declaration of interest only when a particular matter is being discussed you must declare the interest as soon as you realise it is necessary.

5.14 The oral statement of declaration of interest should identify the item or items of business to which it relates. The statement should begin with the words "I declare an interest". The statement must be sufficiently informative to enable those at the meeting to understand the nature of your interest but need not give a detailed description of the interest.

Frequent Declarations of Interest

5.15 Public confidence in a public body is damaged by perception that decisions taken by that body are substantially influenced by factors other than the public interest. If you would have to declare interests frequently at meetings in respect of your role as a board member you should not accept a role or appointment with that attendant consequence. If members are frequently declaring interests at meetings then they should consider whether they can carry out their role effectively and discuss with their chair. Similarly, if any appointment or nomination to another body would give rise to objective concern because of your existing personal involvement or affiliations, you should not accept the appointment or nomination.

Dispensations

5.16 In some very limited circumstances dispensations can be granted by the Standards Commission in relation to the existence of financial and non-financial interests which would otherwise prohibit you from taking part and voting on matters coming before your public body and its committees.

5.17 Applications for dispensations will be considered by the Standards Commission and should be made as soon as possible in order to allow proper consideration of the application in advance of meetings where dispensation is sought. You should not take part in the consideration of the matter in question until the application has been granted.
ANNEX A
Sanctions Available to the Standards Commission for Breach of the Code

a  Censure – the Commission may reprimand the member but otherwise take no action against them;

b  Suspension – of the member for a maximum period of one year from attending one or more, but not all, of the following:
   i  all meetings of the public body;
   ii all meetings of one or more committees or sub-committees of the public body;
   iii all meetings of any other public body on which that member is a representative or nominee of the public body of which they are a member.

c  Suspension – for a period not exceeding one year, of the member’s entitlement to attend all of the meetings referred to in (b) above;

d  Disqualification – removing the member from membership of that public body for a period of no more than 5 years.

Where a member has been suspended, the Standards Commission may direct that any remuneration or allowance received from membership of that public body be reduced, or not paid.

Where the Standards Commission disqualifies a member of a public body, it may go on to impose the following further sanctions:

a  Where the member of a public body is also a councillor, the Standards Commission may disqualify that member (for a period of no more than 5 years) from being nominated for election as, or from being elected, a councillor. Disqualification of a councillor has the effect of disqualifying that member from their public body and terminating membership of any committee, sub-committee, joint committee, joint board or any other body on which that member sits as a representative of their local authority.

b  Direct that the member be removed from membership, and disqualified in respect of membership, of any other devolved public body (provided the members’ code applicable to that body is then in force).

In some cases the Standards Commission do not have the legislative powers to deal with sanctions, for example if the respondent is an executive member of the board or appointed by the Queen. Sections 23 and 24 of the Ethical Standards in Public Life etc (Scotland) Act 2000 refer.

Full details of the sanctions are set out in Section 19 of the Act.
Annex B

Definitions

"Chair" includes Board Convener or any person discharging similar functions under alternative decision making structures.

"Code" code of conduct for members of devolved public bodies.

"Cohabittee" includes a person, whether of the opposite sex or not, who is living with you in a relationship similar to that of husband and wife.

"Group of companies" has the same meaning as "group" in section 262(1) of the Companies Act 1985. A "group", within s262 (1) of the Companies Act 1985, means a parent undertaking and its subsidiary undertakings.

"Parent Undertaking" is an undertaking in relation to another undertaking, a subsidiary undertaking, if a it holds a majority of the rights in the undertaking; or b it is a member of the undertaking and has the right to appoint or remove a majority of its board of directors; or c it has the right to exercise a dominant influence over the undertaking i by virtue of provisions contained in the undertaking's memorandum or articles or ii by virtue of a control contract; or d it is a councillor of the undertaking and controls alone, pursuant to an agreement with other shareholders or councillors, a majority of the rights in the undertaking.

"A person" means a single individual or legal person and includes a group of companies.

"Any person" includes individuals, incorporated and unincorporated bodies, trade unions, charities and voluntary organisations.

"Public body" means a devolved public body listed in Schedule 3 of the Ethical Standards in Public Life etc (Scotland) Act 2000, as amended.

"Related Undertaking" is a parent or subsidiary company of a principal undertaking of which you are also a director. You will receive remuneration for the principal undertaking though you will not receive remuneration as director of the related undertaking.

"Remuneration" includes any salary, wage, share of profits, fee, expenses, other monetary benefit or benefit in kind. This would include, for example, the provision of a company car or travelling expenses by an employer.

"Spouse" does not include a former spouse or a spouse who is living separately and apart from you.

"Undertaking" means:

a    a body corporate or partnership; or
b    an unincorporated association carrying on a trade or business, with or without a view to a profit.
Financial Memorandum between University of the Highlands and Islands (Regional Strategic Body) and Perth College UHI (Assigned College)
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FINANCIAL MEMORANDUM

Introduction

Purpose of this document

1. This Financial Memorandum (FM) sets out the formal relationship between the University of the Highlands & Islands Regional Strategic Body and Perth College UHI (the College) and the requirements with which the College must comply in return for payment of grant by the Regional Strategic Body.

2. The FM also makes it a term and condition of grant from the Regional Strategic Body that Perth College UHI complies with the requirements of the Scottish Public Finance Manual (SPFM) and sets out the special actions and derogations, which have been agreed with the Scottish Ministers.

Definitions

3. University of the Highlands & Islands (Court) is the Regional Strategic Body, therefore any reference to Regional Strategic Body should be read as the University of the Highlands and Islands. It is noted that the University Court has delegated consideration of further education matters to the UHI FE Regional Board although ultimate accountability rests with the Court.

4. Chief Officer is defined as the Principal and Vice Chancellor of University of the Highlands and Islands.

5. Chief Executive Officer is defined as the College Principal.

Compliance with the Financial Memorandum

6. The responsibility for ensuring that the College complies with this FM rests with the governing body of the College. Questions about the interpretation of the FM may be raised with officers of the Regional Strategic Body.

7. Where the College’s interpretation of the FM differs from that of the Regional Strategic Body, the Regional Strategic Body will seek, wherever possible, to reach agreement in a spirit of partnership with the College. However, the Regional Strategic Body’s interpretation of this FM shall be final.
Effective date

8. This FM shall take effect from 1st January 2016.

Structure of this document

9. The FM is in four parts:
   - Part 1: defines the relationship between the Regional Strategic Body and the College and the responsibilities of each for the proper stewardship of public funds
   - Part 2: contains the general requirements that apply to the College
   - Part 3: contains additional requirements for incorporated colleges
   - Part 4: contains additional requirements for non-incorporated colleges.
Part 1: The relationship between the Regional Strategic Body and the College

Responsibilities of the Regional Strategic Body

1. The Regional Strategic Body has been established under the Further and Higher Education (Scotland) Act 2005, as amended by the Post-16 Education (Scotland) Act 2013, to support a regional approach to the planning and funding of college provision.

2. A Regional Strategic Body may make grants, loans or other payments to the governing bodies of colleges assigned to it for the provision of further education, higher education, research and related activities.

3. The legislation also confers certain duties and responsibilities on the Regional Strategic Body, including to exercise its functions with a view to securing coherent, high quality further and higher learning provision in the localities of its colleges, and monitoring the performance of its colleges.

4. Under the terms of the 2005 Act, the Regional Strategic Body may attach terms and conditions to the payment of grant made to its colleges. It is a term and condition of grant payment from the Regional Strategic Body that the governing body of the College and its designated officers comply with the requirements set out in this FM.

Accountability

5. The Regional Strategic Body is accountable to the Scottish Funding Council (SFC) for the use of public funds provided to it by SFC under the terms of the relevant legislation.

6. The Chief Officer of the Regional Strategic Body is responsible and accountable to the SFC for ensuring that funds provided to the Body are used for the purposes for which they have been given, and in ways that comply with the conditions attached to them. The Chief Officer has a personal responsibility for the propriety and regularity of the public finances provided to the Regional Strategic Body, and for ensuring that funding is used economically, efficiently and effectively.

Assurance

7. In order to meet his or her responsibilities, the Chief Officer of the Regional Strategic Body must be satisfied that the governing body of the College meets the requirements of this FM as a condition of receiving grant funding from the
Regional Strategic Body. The Regional Strategic Body will therefore seek financial management and other information from the College but, as far as possible, will rely on data and information that the College has produced to meet its own needs. If further information is required, the Regional Strategic Body will make a specific request in the context of its commitment to efficient regulation.

8. The Chief Executive Officer of the College shall provide a letter of representation [template will be provided] to the Chief Officer of the Regional Strategic Body on 30th April each year confirming that all requirements of the financial memorandum have been met. If any requirements cannot be confirmed, the reasons for non-compliance should be explained in writing by the Chief Executive Officer and actions to rectify the position agreed with the Chief Officer of the Regional Strategic Body.

9. Where the Regional Strategic Body has concerns or insufficient information to provide the assurance required, it will, in the first instance, seek to resolve matters with the Chief Executive Officer of the College. Where this has not proved possible, or in the case of significant concerns, the Chief Officer of the Regional Strategic Body will inform the Chair of the College governing body and the College’s Chief Executive Officer in writing – and without delay – and will specify what action is required to address these concerns.

10. Where circumstances warrant it, the Regional Strategic Body’s Chief Officer may suspend the payment of any or all grants to the College. The Regional Strategic Body may also use its powers to attend and address a meeting of the College governing body.

What the College can expect from the Regional Strategic Body

11. The Regional Strategic Body will conduct its affairs to high standards of corporate governance and public administration. It will maintain a complaints procedure and a separate appeals process for funding decisions.

12. The Regional Strategic Body will act reasonably on the basis of the fullest available evidence and objective analysis. Subject to any legal requirement to observe confidentiality, it will be open and transparent with the College, and with other stakeholders, and will give or be prepared to give a public justification of its decisions.

13. In discharging its responsibilities, the Regional Strategic Body will seek to make regulation efficient and effective.
14. The Regional Strategic Body will seek at all times to work in a spirit of partnership with the College, including maintaining regular dialogue with the College and, where appropriate, its representative bodies. The shared aim of that partnership will be to work collaboratively to support the College deliver its strategic priorities and commitments in terms of the Regional Outcome Agreement with SFC, and to ensure that the Regional Strategic Body can deliver its regional priorities and undertake its statutory and other functions. The Regional Strategic Body recognises that the College may also undertake activities, and have to comply with legislation and regulation, which may fall outside the scope of this partnership.

15. The Regional Strategic Body will allocate and pay grant to the College in accordance with its current policies and procedures. The College will be consulted in advance and given reasonable notice of any significant change to these policies and procedures and of significant changes in overall funding levels.

The Regional Strategic Body’s governance requirements of the College

16. The Regional Strategic Body must be able to rely on the whole system of governance, management and conduct of the College to safeguard all funds of the College deriving from the Regional Strategic Body and achieve the purposes for which those funds are provided.

17. The Regional Strategic Body requires the governing body of the College to comply with the principles of good governance set out in the Code of Good Governance for Scotland’s Colleges. The Regional Strategic Body also requires the governing body of the College 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 the Regional Strategic Body

- Subject to any legal requirement to observe confidentiality, the College will be open and transparent with the Regional Strategic Body 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 College 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 College’s activities in accordance with its mission and its commitments to the Regional Outcome Agreement agreed with SFC

• The College plans and manages its activities to remain sustainable and financially viable. A College is being managed on a sustainable basis if, year on year, it generates sufficient income to cover its costs and allow for maintenance of and investment in its infrastructure (physical, human and intellectual) at a level which enables it to maintain adaptive capacity necessary to meet future demands

• The College 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 College has an effective policy of risk management and risk management arrangements. The College complies with the Regional Strategic Body policy on risk management and risk management arrangements and shares information with the Regional Strategic Body in line with agreed protocol

• The College 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 the Regional Strategic Body on request, as necessary, for the exercise of its functions and to gain assurance

• The College is engaged actively in continuously enhancing the quality of its activities and involves the Regional Strategic Body, students and other stakeholders in these processes

• The Regional Strategic Body Internal Audit Service has rights of access to all the College’s premises, staff, records information and assets which it considers necessary to fulfill its role and responsibilities. Access will be arranged by prior agreement where possible

• As well as being accountable directly to the governing body of the College for the proper conduct of the College’s affairs, the Chief Executive Officer of the College is also accountable directly to the Regional Strategic Body’s Chief Officer for the College’s proper use of funds deriving from the Regional Strategic Body and its compliance with the requirements of this FM.

18. The Chief Executive Officer of the College must inform the Regional Strategic Body’s Chief Officer without delay of any circumstance that is having, or is
likely to have, a significant adverse effect on the ability of the College to deliver its education programs, and other related activity, including delivery of its commitment to the Regional Outcome Agreement with SFC. He or she must also notify the Regional Strategic Body’s Chief Officer of any serious weakness, such as a significant and immediate threat to the College’s financial position, significant fraud or major accounting breakdown or any material non-compliance with any requirement of this FM.

19. The Regional Strategic Body reserves the right to investigate any of the matters notified above in order to establish the facts and to determine whether appropriate actions have been or are being taken to mitigate the risk of reoccurrence.

Revisions to the Financial Memorandum

20. The Regional Strategic Body will make changes to the requirements of this FM only after consulting the SFC, the College, its representative bodies and other relevant stakeholders.

Part 2: General requirements

1. Unless otherwise stated, the following general requirements apply to the College.

Financial Memorandum

2. It is a term and condition of grant payment from the Regional Strategic Body that the governing body of the College and its designated officers comply with the requirements set out in this FM.

Post-16 Education Body criteria

3. In undertaking its functions, the governing body of the College must keep under review and have in place satisfactory provision in relation to the list of matters set out in section 7 (2) of the 2005 Act, as amended by the Post-16 Education (Scotland) Act 2013.

Outcome Agreement

4. The College must deliver its commitment to the Regional Outcome Agreement with SFC as agreed with the Regional Strategic Body.
Payment of Strategic, Capital or other Grants

5. Where the Regional Strategic Body makes a payment to the College of a Strategic, Capital or other grant, the College will be required to comply with any additional requirements attached to the grant, as well as with this FM.

Changes to grant payments

6. If the SFC revises its payment of grant to the Regional Strategic Body, then the Regional Strategic Body reserves the right to make adjustments to its payment of grant to the College.

Repayment of grant

7. If the College fails to comply with the requirements of this FM, and any other specific terms and conditions attached to the payment of grant from the Regional Strategic Body, it may be required to repay the Regional Strategic Body any sums received from it and may be required to pay interest in respect of any period during which a sum due to the Regional Strategic Body in accordance with this or any other condition remains unpaid.

8. If, in the reasonable opinion of the Regional Strategic Body, any provision set out in this FM is not observed by the College, the Regional Strategic Body will be entitled, in respect of the payment of grant from the Regional Strategic Body:
   - In the case of funding by way of grant: to require immediate repayment of any and all grants or any part or parts of any grants at any time after the Regional Strategic Body becomes aware of such failure to observe (without prejudice to further demands until the whole of all sums made available by way of grant shall have been paid in full)
   - In the case of funding by way of loan (notwithstanding the terms of any agreement attached to the same): to require immediate repayment of the whole or part of each such loan at any time after the Regional Strategic Body becomes aware of such failure to observe (without prejudice to further demands until the whole of all sums made available by way of loan shall have been repaid in full).

Public sector pay policy

9. The College must have regard to public sector pay policy set by the Scottish Ministers.
Tuition fees

10. Where applicable, the College must charge student tuition fees at the levels set by the Scottish Ministers under either the Student Fees (Specification) (Scotland) Order 2006 or the Student Fees (Specification) (Scotland) Order 2011, whichever is applicable.\(^1\) However:

- the tuition fee levels set by the Scottish Ministers under the student Fees (Specification) (Scotland) Order 2006 do not apply to students who do not have a relevant connection with the United Kingdom and Islands or are not excepted students within the meaning of the Education (Fees and Awards) (Scotland) Regulations 2007; and

- The tuition fee levels set by the Scottish Ministers under the Student Fees (Specification) (Scotland) Order 2011 do not apply to students who do not have a relevant connection with Scotland or are not excepted students within the meaning of the Education (Fees) (Scotland) Regulations 2011, but any tuition fees charged to students from the rest of the United Kingdom must not exceed £9,000 per year\(^2\).

\(^1\) The level of tuition fees in 2014-15 for full-time undergraduate first degree students is £1,820. The same fee applies for PGDE and PGDipCE courses. A higher medical fee £2,885 applies only to continuing students. For full-time higher education courses at sub-degree level, a fee of £1,285 should be charged.

\(^2\) At the moment, this £9,000 limit is not set by legislation but will be once an order is made under section 9D of the Further and Higher Education (Scotland) Act 2005 (as inserted by the Post-16 Education (Scotland) Act 2013).
Disposal of exchequer funded assets

11. In disposing of exchequer funded assets, the College must in the first instance notify the Regional Strategic Body and follow the guidance in the relevant procedure notes on the SFC website as amended from time-to-time.

Student activity

12. Where appropriate, the College must provide data returns requested by the SFC to the standards specified and by the deadline set by the Regional Strategic Body. For further education activity the SFC’s Student Activity Data Guidance for Colleges can be found on the SFC website.

Student support guidance

13. Where appropriate, the College’s must follow SFC’s Student Support Guidance.

European Social Funds

14. Where the College is in receipt of European Social Fund funding, it must follow SFC’s FSF guidance and the Regional Strategic Body protocol.

Audit and accounting

15. The governing body must appoint and have in place an effective audit committee and ensure the establishment and maintenance of effective arrangements for the provision of internal and external audit. For incorporated colleges, Audit Scotland will appoint external auditors.

16. The Audit Committee must produce an annual report to the governing body of the College.

Accounts direction

17. The College must follow the SFC’s current Accounts Direction in the preparation of its annual financial statements and comply with the Regional Strategic Body requirements to facilitate the production of consolidated statutory accounts if required.

Internal audit

18. The College must have in place an effective internal audit service. The operation and conduct of the internal audit service should conform to the professional standards of the Chartered Institute of Internal Auditors. For
incorporated colleges, the operation and conduct of internal audit must comply with Public Sector Internal Audit Standards and, where relevant the SPFIM.

19. The College must inform the Regional Strategic Body when an internal auditor is appointed and must inform the Regional Strategic Body immediately if the internal auditor is removed or departs before the end of their term of office.

20. The internal audit service must provide the governing body and senior management of the College with an objective assessment of adequacy and effectiveness of risk management, internal control, governance, and value-for-money.

21. The internal audit service must extend its review over all the financial and other management control systems, identified by the audit needs assessment process. It must cover all activities in which the College has a financial interest, including those not funded by the Regional Strategic Body. It must include review of controls – including investment procedures – that protect the College in its dealings with organisations, such as subsidiaries or associated companies, Arms-Length Foundations, students’ associations, and collaborative ventures or joint ventures with third parties.

22. The internal audit service will work with the Regional Strategic Body Internal Audit Service to coordinate audit planning and auditing activities in an effort to optimise audit assurance and minimise duplication.

23. The internal audit service where required by the Regional Strategic Body Internal Audit Service shall carry out audits of, but not limited to, Student statistical returns, Education Maintenance Allowances, Student Support Funds in accordance with the relevant guidance and report the findings and provide appropriate audit certificates to the Regional Strategic Body Internal Audit Service.

24. The internal auditor must produce an annual report for the governing body of the College on its activities during the year. The report must include an opinion on the adequacy and effectiveness of the College’s risk management, internal control, and governance. The report must be presented to the College’s audit committee and a copy sent to the Regional Strategic Body.

25. The College must not in any way limit the Regional Strategic Body access to assurance information and reports from the College’s Internal Audit Service.
Value for money

26. The College must have a strategy for reviewing systematically management’s arrangements for securing value for money.

27. As part of its internal audit arrangements, the College must obtain a comprehensive appraisal of management’s arrangements for achieving value for money. A copy of this appraisal should be included in the College’s Internal Auditors Annual Report.

External Audit

28. The external auditor must be entitled to receive all notices of and other communications relating to any meeting of the governing body of the College which any member of the governing body is entitled to receive. They must also be entitled to attend any such meeting and to be heard at any meeting which they attend, on any part of the business which concerns them as auditors.

29. The external auditor must also be entitled to attend the meeting of the governing body of the College or other appropriate committee at which the College’s annual report and financial statements are presented.

The external auditor is expected to attend, as a minimum, any meetings of the audit committee of the College where relevant matters are being considered, such as planned audit coverage, the audit report on the financial statements and the audit management letter. It is the responsibility of the secretary to the College audit committee to notify the external auditor of such meetings.

30. The external auditors, notwithstanding responsibilities to their clients, are expected to co-operate fully with any enquiries or routine monitoring that the Regional Strategic Body undertakes.

31. The College must not in any way limit the Regional Strategic Body’s access to the College’s external auditors.
Part 3: Additional requirements for incorporated colleges

1. The following additional requirements apply to incorporated colleges.

Scottish Public Finance Manual

2. The College must follow the requirements of the Scottish Public Finance Manual (SPFM) except where any special actions or derogations have been agreed with the Scottish Ministers.

3. The derogations and actions in the following paragraphs have been agreed with the Scottish Ministers and must be read in conjunction with the SPFM. Where reference is made to the SPFM, please refer to the relevant section for the detailed requirements.

4. In cases where the SPFM requires bodies to notify or request prior approval from the Scottish Government or SFC, the College must, in the first instance, contact the Regional Strategic Body.

Borrowing

5. All borrowing by the College will require the approval of the Scottish Ministers. Requests to borrow must be submitted, through the Regional Strategic Body, to the SFC in the first instance.

Cash management and banking

6. Grant payment will not be made in advance of need, as determined by the level of unrestricted cash reserves and planned expenditure. Unrestricted cash reserves held during the course of the year must be kept to the minimum level consistent with the efficient operation of the College and the level of funds required to meet any relevant liabilities at the year-end. Grant-in-aid not drawn down by the end of the financial year (31 March) shall lapse. Grant-in-aid must not be paid into any restricted reserve held by the College.

7. The Regional Strategic Body will work with individual incorporated colleges to ensure that there is an internal partnership solution so that it is not necessary for the College to use arms’ length foundations to keep the funding available for use within the partnership.

8. Banking arrangements must ensure they offer best value and comply with the Banking section of the SPFM. The Scottish Ministers have approved a
derogation which delays the move to the Government Banking Service (GBS) to 2016-17 at the earliest.

9. The College may extend existing banking arrangements, provided they are not extended beyond Financial Year 2016-17. Any extension beyond Financial Year 2016-17 requires the agreement of the Scottish Ministers.

10. The College can operate bank overdraft facilities to assist it in managing the timing of income and expenditure through its bank account. Overdrafts should not be used as a means of increasing borrowing.

Contingent commitments

11. The College must seek, through the Regional Strategic Body, SFC’s prior written consent if it intends to lend or give a guarantee, indemnity or letter of comfort. The value of the guarantee should be equal to the total contingent liability over the term of the guarantee. In all cases, the College must take steps to restrict the contingent liability to a minimum and should undertake a careful appraisal of the risks before accepting any contingent liability.

12. The College must also provide assurance that, in the event of the contingent liability arising, it can be met from within the College’s own resource, or that appropriate insurance cover has been arranged.

13. However, SFC’s written consent is not required for such arrangements if the indemnity is of a standard type contained in contracts and agreements for ‘day-to-day’ procurement of goods and services in the normal course of business.

Delegated financial limits and annual reporting requirements

14. The College's specific delegated financial limits are set out in Appendix A. The College must obtain, through the Regional Strategic Body, SFC’s prior written approval before entering into any undertaking to incur any expenditure that falls outwith these delegations.

15. Prior SFC approval, through the Regional Strategic Body, must always be obtained before incurring expenditure for any purpose that is, or might be considered, novel, contentious or repercussive or which has or could have significant future cost implications.
16. What might be regarded as novel or contentious inevitably involves a degree of judgement. Novel would include proposed expenditure or financial arrangements of a sort not undertaken previously or which is not standard practice. Contentious would include proposed expenditure or financial arrangements where there was any doubt as to its regularity – for example, its compliance with relevant legislation or guidance – or its propriety – for example, compliance with the standards expected of publicly funded bodies or their officials. Proposed expenditure or financial arrangements that might be considered to be sensitive politically would also be regarded as contentious.

17. In addition, any frauds that are detected must be reported, through the Regional Strategic Body, to SFC as and when they occur.

18. The College must establish appropriate documented internal delegated authority arrangements consistent with the Delegated Authority section of the SPFM and this FM.

19. Appendix A also sets out the levels for certain categories of expenditure above which the College should report annually through the Regional Strategic Body to SFC. The report should describe the number of instances and total cost, by category of expenditure.

Duties to provide information on certain expenditure as required by The Public Services Reform (Scotland) Act 2010

20. As soon as is reasonably practicable after the end of each financial year, the College must publish a statement of any expenditure that it has incurred during that financial year on or in connection with the matters described below.
   
   - Public relations
   - Overseas travel,
   - Hospitality and entertainment,
   - External consultancy.

21. As soon as is reasonably practicable after the end of each financial year, the College must publish a statement specifying the amount, date, payee and subject-matter of any payment, relating to any of the matters listed above, made during that financial year which has a value in excess of £25,000.
Early departures of staff

22. The College must follow the requirements of the SPFM in determining settlement agreements, severance, early retirement and redundancy arrangements and payments. In addition, the College must have regard to the principles of good practice in managing early departures of staff contained in Audit Scotland’s May 2013 report: *Managing early departures from the Scottish public sector.*

23. In line with the requirements of the SPFM, the College’s severance scheme must be approved, through the Regional Strategic Body, by SFC. Provided a severance payment is within the parameters of a scheme, which has been approved by the SFC, there will be no need for the College to seek approval to the individual payment from SFC.

24. However, special severance payments in excess of £1,000 must be approved, through the Regional Strategic Body, by SFC, except where provision for such payments has been included in a severance scheme approved by SFC. (See Appendix A).

External business and management consultancy contracts

25. Any external consultancy contracts with a value of more than £100,000 must be approved in advance, through the Regional Strategic Body, by the SFC.

Impairments, provisions and write-offs

26. Assets must be recorded in the Balance Sheet at Depreciated Replacement Cost for Land and Buildings and at Historic Cost less depreciation for Equipment in accordance with the Financial Reporting Manual (FRoM). Where an asset, including investments, suffers impairment, it is important that the prospective impairment and background is communicated, through the Regional Strategic Body, to the SFC at the earliest possible point in the financial year to determine the budget implications. Any significant movement in existing provisions or the creation of new provisions must be discussed, through the Regional Strategic Body, with the SFC.

27. Write-off of bad debt and/or losses score against resource Departmental Expenditure Limits (DEL).
Income generation

28. The College will be able to retain all commercial income, gifts, bequests or donations received. These funds will be in addition to any grant or funding the College receives from the Regional Strategic Body.

Insurance

29. The Scottish Ministers have agreed a derogation whereby colleges can extend their current commercial insurance arrangements for three years to 31 July 2018.

Investments

30. The College must not make any investments of a speculative nature without the prior written approval, through the Regional Strategic Body, of SFC.

Procurement and payment

31. The College’s procurement processes must reflect the relevant guidance contained in the Advanced Procurement for Universities and Colleges, and relevant policy and advice issued by the Scottish Procurement Directorate. Procurement must be undertaken by appropriately trained and authorised staff and treated as a key component of achieving the College’s objectives consistent with the principles of Best Value, the highest professional standards and any legal requirement.

32. Any proposal to award a contract without competition (non-competitive action) must be approved, through the Regional Strategic Body, in advance by SFC. Specific delegated authority is given to award a contract without competition for £25,000 or less without advance approval. (See Appendix A)

Transfer of surplus funds to arms-length foundations

33. The Regional Strategic Body will exercise strategic management of resources across the region to ensure regional priorities are identified and supported. Transfers to arms’ length foundations would therefore normally be allowed by the Regional Strategic Body. However, in exceptional circumstances, the College and the Regional Strategic Body may agree to an alternative arrangement.
## Delegated financial limits and annual reporting requirements for incorporated colleges

### Delegated financial limits

<table>
<thead>
<tr>
<th>Service Description</th>
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<tr>
<td>External Business and management consultancies</td>
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<tr>
<td>Special severance payments</td>
<td>1,000</td>
</tr>
<tr>
<td>Operating leases-non property</td>
<td>250,000</td>
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<tr>
<td>Procurement non-competitive action</td>
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### Annual reporting requirements

<table>
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<th>Service Description</th>
<th>Limit (£)</th>
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</thead>
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<tr>
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<tr>
<td>Compensation payments</td>
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<tr>
<td>Ex-gratia payments</td>
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<tr>
<td>Claims waived or abandoned</td>
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<tr>
<td>Write-off of bad debt</td>
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<td>Overseas student irrecoverable loss</td>
<td>6,000</td>
</tr>
<tr>
<td>Fraud loss</td>
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Code of Good Governance for Scotland’s Colleges

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Annex 1: References and Definitions
1. **Background**

The original *Code of Good Governance for Scotland’s Colleges* was published in December 2014. In Summer 2016, the Good Governance Steering Group undertook a review and the Code was updated. The Cabinet Secretary’s Good Governance Task Group recommendations were also taken into account during the review of the Code.

Colleges Scotland will act as custodian for any future reviews and in keeping with the way that the Code was created, the broad range of stakeholders who developed the Code will be engaged fully with any revisions.

2. **Foreword**

Colleges in Scotland thrive in the heart of their communities, serving the interests of those communities, students, employers, governments and their agencies and other stakeholders. They have an essential and valuable role in Scottish society. In 2014/15, they enrolled almost 300,000 students and a study by EMSI (Economic Modelling Specialists International) showed that the economic impact of Scotland’s colleges to the business community in Scotland is almost £15 billion each year.

Colleges and regional strategic bodies receive substantial public funding and also operate in an increasingly commercial and enterprising way. We value the significant contribution college board members make to governing our colleges and regional strategic bodies, and to their stewardship of taxpayer’s money, ensuring its efficient and effective use.

Boards are expected to innovate, pursue new opportunities and take measured risks in delivering what is best for their stakeholders. In recent times, they have gone through major transformational change, embracing regionalisation and post-16 education reforms.

Against this background, it is right and proper that the highest standards of governance and propriety are expected of our boards and those individuals who serve them. This Code of Good Governance codifies the principles of good governance for learners and learning that already exist in our colleges and promotes accountability and continuous improvement in how colleges and regional strategic bodies are governed.

The Code is based on key principles and has been written in a way that is mandatory and anticipates compliance. All colleges that receive funding from the Scottish Funding Council (SFC) or from a regional strategic body must comply with the Code as a term and condition of grant. Exceptions should be rare and must be explained publicly.

In addition to demonstrating good governance, colleges and regional strategic bodies must also ensure compliance with their statutory and other obligations. The Board Secretary role is vital in providing guidance to the board on its legal and other obligations.

Colleges have an important individual and collective role to play in promoting economic, social and cultural well-being. We expect this Code to provide the essential underpinning to help discharge that role to the highest standards possible.

*Hugh Hall, Chair of the Good Governance Steering Group*
*August 2016*
3. **Code of Good Governance for Scotland’s Colleges**

**Governance and the Code**

Corporate governance:

- is the way in which organisations are directed and controlled within a legislative framework
- defines the distribution of rights and responsibilities among the different stakeholders and participants in the organisation
- determines the rules and procedures for making decisions on corporate affairs including the process through which the organisation’s objectives are set
- provides the means of achieving those objectives and monitoring performance.

Scotland’s colleges refers to colleges either funded by SFC or by a regional strategic body for the provision of education. Such colleges can be incorporated or non-incorporated. The overarching purpose of good governance for Scotland’s colleges is to:

- lead the college, region or regional strategic body and set its strategic direction and values
- ensure effective management and financial controls to support the student experience within a framework of public accountability and transparency
- deliver high quality learning and outcomes.

The *Code of Good Governance for Scotland’s Colleges* has been developed and is owned by the college sector. Colleges are required to comply with it as a condition of grant from either SFC or their regional strategic body. It establishes standards of good governance practice for all boards and provides the essential foundations for compliance within the legislative framework.

Boards must not only follow the letter but also the spirit of the Code to ensure good governance. Boards must think deeply, thoroughly and on a continuing basis about their overall tasks and the implications of these for the roles of their individual members. Key to this is the leadership of the chair, the support given to and by the principal, and the frankness and openness of mind with which issues are discussed and tackled by all board members.

**Statement of Compliance with Good Governance**

Each board must state its adoption of the Code in the corporate governance statement contained in its annual financial statement. The chair, on behalf of the board, is expected to report as to how the principles have been applied by the board. Where, for whatever reason, a board’s practice is not consistent with any particular principle of the Code, it should make this known to SFC or, if it is an assigned college, the regional strategic body. This should be done immediately they become aware of an inconsistency and, without exception, in advance of publishing the information. An explanation for that inconsistency must be clearly stated in its corporate governance statement. Boards will be expected to offer a clear rationale for exceptions in the context of their college’s operational model and to identify mitigations.

Individual board members have duty to act on serious concerns about the governance of their body. Information on who board members can approach is included in *The Guide for Board Members in the College Sector*.
4. Principles

Section A: Leadership and Strategy

Conduct in Public Life

A.1 Every college and regional strategic body must be governed by an effective board that is collectively responsible for setting, demonstrating and upholding the values and ethos of the organisation.

A.2 Every board member must ensure that they are familiar with and their actions comply with the provisions of their board's Code of Conduct.

A.3 The Nine Principles of Public Life in Scotland, which incorporate the seven Nolan principles, must be the basis for board decisions and behaviour. These key principles, which apply individually and collectively are:

- Duty/Public Service
- Selflessness
- Integrity
- Objectivity
- Accountability and Stewardship
- Openness
- Honesty
- Leadership
- Respect

Vision and Strategy

A.4 The board is responsible for determining their institution's vision, strategic direction, educational character, values and ethos. Regional strategic bodies must also determine the regional strategy for colleges assigned to them. The board of an assigned college must have regard to the strategy determined by the regional strategic body. Board members have a collective leadership role in fostering an environment that enables the body to fulfil its mission and meet Scottish Government priorities, for the benefit of students and the community it serves.

A.5 The board must develop and articulate a clear vision for the region or college. This should be a formally agreed statement of its aims and desired outcomes which should be used as the basis for its overall strategy and planning processes.

A.6 The board provides overall strategic leadership of the region or college. The board is responsible for formulating and agreeing strategy by identifying strategic priorities and providing direction within a structured planning framework.

A.7 The board must ensure that a comprehensive performance measurement system is in place which identifies key performance indicators. It must ensure that it scrutinises performance measures and reports these on their website in a manner that is both timely and accessible to stakeholders. This will allow the board to determine whether or not the vision and mission of the region or the college are being fulfilled and that the interests of stakeholders are being met.
A.8 The board (except in the case of assigned college boards) is responsible for overseeing the negotiation of its outcome agreement with SFC, to meet the needs of the college or region and make best use of available funding, consistent with national strategy. The board must ensure effective engagement with all relevant stakeholders in the development of its outcome agreement and monitor performance in achieving the agreed outcomes.

A.9 The roles and responsibilities of the boards of assigned colleges should be undertaken in the context of the roles and responsibilities of their regional strategic body. Assigned college boards must contribute constructively to the development of the outcome agreement led in its region by the regional strategic body and support the regional strategic body to monitor performance in achieving the agreed outcomes.

Corporate Social Responsibility

A.10 The board must demonstrate high levels of corporate social responsibility by ensuring it behaves ethically and contributes to economic development while seeking to improve the quality of life of the local community, society at large and its workforce.

A.11 The board must exercise its functions with a view to improving economic, cultural and social wellbeing in the locality of the college or region. It must have regard to social and economic needs and social inclusion.

A.12 The board must provide leadership in equality and diversity.

A.13 The board must seek to reflect in its membership, the make-up of the community through offering maximum opportunity of membership to a range of potential members and removing potential barriers to membership, in partnership with its regional strategic body, as appropriate.

A.14 The board must appoint one of the non-executive members to be the senior independent member to provide a sounding board for the chair and to serve as an intermediary for the principal, other board members and the board secretary when necessary (see Annex 1 for the definition of ‘non-executive’). The senior independent member should also be available where contact through the normal channels of chair, principal or secretary has failed to resolve an issue or for which such contact is inappropriate. Further information on the role of the senior independent member can be found in *The Guide for Board Members in the College Sector*. 


Section B: Quality of the Student Experience

Student Engagement

B.1 The board must have close regard to the voice of its students and the quality of the student experience should be central to all board decisions.

B.2 The board must lead by example in relation to openness, by ensuring that there is meaningful ongoing engagement and dialogue with students, the students' association and as appropriate staff and trade unions in relation to the quality of the student experience. Consultation is essential where significant changes are being proposed.

B.3 The board must consider the outcome of student surveys and other student engagements, and monitor action plans that could impact on the quality of the student experience.

B.4 The college board must have regard to the Framework for the Development of Strong and Effective College Students' Associations in Scotland. It must put in place robust partnership procedures (e.g. partnership agreement) to work together to achieve change and which are supported by regular and open communications.

B.5 The college board must encourage a strong and autonomous students' association and ensure that the students' association is adequately resourced.

B.6 The college board must ensure that the students' association operates in a fair and democratic manner and fulfils its responsibilities.

B.7 The college board must review the written constitution of its students' association at least every five years.

Relevant and High Quality Learning

B.8 The board must seek to secure coherent provision for students, having regard to other provision in the region or college's locality. The board must be aware of external local, national and international bodies and their impact on the quality of the student experience, including community planning partners, employers, skills development and enterprise agencies and employer bodies. The board must seek to foster good relationships and ensure that the body works in partnership with external bodies to enhance the student experience, including employability and the relevance of learning to industry needs.

Quality Monitoring and Oversight

B.9 The board must ensure appropriate mechanisms are in place for the effective oversight of the quality and inclusivity of the learning experience in the college or region. The board must ensure that the college works in partnership with sector quality agencies and other appropriate bodies to support and promote quality enhancement and high quality services for students.
Section C: Accountability

Accountability and Delegation

C.1 The board is primarily accountable to its main funder, either SFC or its regional strategic body. Through the chain of funding, the body is ultimately responsible to the Scottish Ministers who are accountable to the Scottish Parliament.

C.2 The board must ensure delivery of its outcome agreement or in the case of an assigned college, its agreed contribution to the region’s outcome agreement.

C.3 The board must ensure it fulfils its statutory duties and other obligations on it, and that the terms and conditions of its grant are being met.

C.4 Scottish Ministers have powers to remove by order any or all board members of an incorporated college (except the principal) or a regional board for serious or repeated breaches of a term and condition of grant.

C.5 The board also has a wider accountability to a range of stakeholders including students (both current and prospective), its staff, the wider public, employers and the community it serves, for the provision high quality education that improves people’s life chances and social and economic well-being.

C.6 Incorporated colleges and regional boards must maintain and publicly disclose a current register of interests for all board members. Board members should declare any conflicts of interest in the business of the meeting prior to the commencement of each meeting of the board and its committees and withdraw from meetings as appropriate.

C.7 The board must ensure that its decision-making processes are transparent, properly informed, rigorous and timely, and that appropriate and effective systems of financial and operational control, quality, management of staff, risk assessment and management are established, monitored, continuously improved and appropriately impact assessed. This includes:

a) the prompt production, dissemination and online publication of board/committee agendas, minutes and papers to the public
b) every board meeting and every committee meeting having a well-structured agenda circulated timeously in advance

c) the retention of all key documentation which help justify the decisions made by the board and its committees.

C.8 The board may delegate responsibilities to committees for the effective conduct of board business. As a minimum the committees required are Audit, Remuneration, Finance and Nominations/Appointments. Delegation of responsibilities from and matters reserved to the board and its committees must be set out in a scheme of delegation including the functions delegated by the board to the chair, committees, the principal and the board secretary (and any other members of staff). Incorporated college boards and regional boards have no powers to delegate functions to an individual board member (except the chair who has no authority to act outwith their delegated powers).
C.9 The board must ensure every board committee has a specified member of the management team to provide objective, specialist advice to support it to discharge its remit, including by explaining in an accessible way the matters under discussion and the possible implications of different options.

C.10 The board must consider and have in place procedures to ensure effective working relationships and constructive dialogue amongst the board as a whole and ensure there are effective reporting and two way communications between committees and the board. The board must ensure that discussions and decisions of every committee are accurately recorded and reported to the board, no later than the next meeting of the board.

Risk Management

C.11 The board of a college or a regional body is responsible for the overall management of risk and opportunity. It must set the risk appetite of the body and ensure there is an appropriate balance between risk and opportunity and that this is communicated via the principal to the body's management team.

C.12 The board must ensure that sound risk management and internal control systems are in place and maintained. It must ensure there is a formal on-going process for identifying, reporting, evaluating and managing the body's significant risks and review the effectiveness of risk management, business continuity planning and internal control systems.

Audit Committee

C.13 The Audit Committee must support the board and the principal by reviewing the comprehensiveness, reliability and integrity of assurances including the body's governance, risk management and internal control framework.

C.14 The scope of the Audit Committee's work must be defined in its terms of reference and encompass all of the assurance needs of the board and the principal. The Audit Committee must have particular engagement with internal and external audit, and must work with management and auditors to resolve any issues in relation to financial reporting.

C.15 The Audit Committee must promptly pursue recommendations arising from audit reports and must monitor their implementation.

C.16 The membership of the Audit Committee cannot include the board chair or the principal. The role of the college executive is to attend meetings at the invitation of the committee chair and to provide information for particular agenda items.

C.17 The Audit Committee terms of reference must provide for the committee to sit privately without any non-members present for all or part of a meeting if they so decide. The Audit Committee members should meet with the internal and external auditors without the executive team present at least annually.

C.18 At least one member of the Audit Committee should have recent relevant financial or audit experience.
Remuneration Committee

C.19 It is essential that members of the Remuneration Committee understand their role and responsibilities. Members must undertake the online training module for Remuneration Committees provided by College Development Network within one month of appointment.

C.20 The board must have a formal procedure in place for setting the remuneration of the principal by a designated committee of non-executive members. The board may wish to supplement this by taking evidence from a range of sources. In particular, staff and students should have a role in gathering and submitting evidence in relation to the college principal to the relevant committee.

C.21 The board chair cannot be the chair of the Remuneration Committee (but they can be a member of it).

Financial and Institutional Sustainability

C.22 The board is responsible for ensuring the financial and institutional sustainability of the body. The board must ensure compliance with its Financial Memorandum (either with SFC or the regional strategic body, depending on which is funding it), including in relation to incorporated colleges and regional boards, relevant aspects of the Scottish Public Finance Manual.

C.23 The board must ensure that:

- funds are used as economically, efficiently and effectively as possible
- effective monitoring arrangements are in place
- college staff report relevant financial matters to it

C.24 For colleges that are charitable organisations, board members are also charity trustees. The board of a college that is a charity must ensure its members are aware of their responsibilities under charity legislation and for complying with relevant provisions as set out by the Office of the Scottish Charity Regulator. See OSCR Guidance and Good Practice for Charity Trustees.

Staff Governance

C.25 The college board as the employer, is responsible for promoting positive employee relations and for ensuring effective partnership between recognised trade unions and management.

C.26 The board must have a system of corporate accountability in place for the fair and effective management of all staff, to ensure all legal obligations are met and all policies and agreements are implemented and identify areas that require improvement and to develop action plans to address them.

C.27 The board must comply with the nationally agreed college sector Staff Governance Standard.

C.28 The college board must comply with collective agreements placed on it through national collective bargaining for colleges.
Section D: Effectiveness

The Board Chair

D.1 The chair is responsible for leadership of the board and ensuring its effectiveness in all aspects of its role. The chair is responsible for setting the board’s agenda and ensuring that adequate time is available for discussion of all agenda items, particularly strategic issues. The chair must promote a culture of openness and debate by:

- encouraging the effective contribution of all board members
- fostering constructive challenge and support to the principal, executive team and fellow board members
- effective team-working
- positive relations between board members.

The chair must engage with the principal and the board secretary in a manner which is both constructive and effective.

D.2 The board and its committees must have the appropriate balance of skills, experience, independence and knowledge of the body to enable them to discharge their respective duties and responsibilities effectively.

Board Members

D.3 Each board member is collectively responsible and accountable for all board decisions. Board members must make decisions in the best interests of the college and/or region as a whole rather than selectively or in the interests of a particular group.

D.4 Staff and student board members are full board members and bring essential and unique, skills, knowledge and experience to the board. Staff and student board members must not be excluded from board business unless there is a clear conflict of interest, in common with all board members.

D.5 Where the college is a charity, all board members, as charity trustees, including staff and student board members, have legal duties and responsibilities under the Charities Act 2005. This includes registering any personal interests that could be seen as conflicting with the interests of the body. The ‘objective test’ for judging if there is a conflict of interest is:

"...whether a member of the public, with knowledge of the relevant facts, would reasonably regard the interest as so significant that it is likely to prejudice your decision making in your role as a member of a public body."

Principal and Chief Executive

D.6 The college board must appoint the principal as chief executive of the college, securing approval for the appointment and terms and conditions of the appointment from the regional strategic body if necessary.

D.7 The college board must ensure there is an open and transparent recruitment process for the appointment. Students and staff must have an opportunity to contribute to the recruitment process.
D.8 The college board must delegate to the principal, as chief executive, authority for the academic, corporate, financial, estate and human resource management of the college, and must ensure the establishment of such management functions are undertaken by and under the authority of the principal.

D.9 The college board must ensure a clear process is in place to set and agree personal performance measures for the principal. This process should seek the views of students and staff. The chair, on behalf of the board, should monitor, review and record the principal’s performance, at least annually, against the agreed performance measures.

D.10 The principal, as a board member, shares responsibility for good governance with the chair and all other members of the board, supported by the board secretary. The principal also enables good governance through supporting effective communication and interaction between the body and the rest of the college including staff and students.

D.11 The board provides strategic direction for the region and/or college, and the chair provides leadership to the board. The principal provides leadership to the staff of the body.

D.12 The board must provide a constructive challenge to the principal and executive team and hold them to account.

**Board Secretary**

D.13 The board as a whole must appoint a board secretary who is responsible to it and reports directly to the chair in their board secretary capacity. The board secretary may be a member of the senior management team in their board secretary capacity, but they cannot hold any other senior management team position at the same time. The appointment and removal of the board secretary is a decision of the board as a whole.

D.14 All board members must have access to the board secretary who has an important governance role in advising the board, the committees and individual board members and supporting good governance. The distinctive board secretary role includes:

- facilitating good governance and advising board members on:
  - the proper exercise of their powers, including in relation to relevant legislation
  - the board’s compliance with its Financial Memorandum, the Good Governance Code, its Standing Orders and Scheme of Delegation
  - their behaviour and conduct in relation to the board’s Code of Conduct

- providing clear advice to the chair and the board/committees on any concerns the board secretary may have that board members have not been given:
  - sufficient information
  - information in an appropriate form
  - sufficient time to monitor, scrutinise or make informed and rigorous decisions in an open and transparent way.

- attending and providing support to every board meeting and every meeting of every board committee. Where the board secretary is unable to attend, while the board secretary retains overall responsibility, proper arrangements must be made to cover the role with a person who is fully able to discharge the role effectively.
• having an unambiguous right to speak at board and committee meetings to convey any concerns they may have about governance. This extends to someone substituting for the board secretary.

• reporting any unresolved concerns about the governance of the body to the relevant funding body (i.e. SFC or the regional strategic body).

D.15 The board must ensure the board secretary:

• has suitable skills, knowledge and behaviours to carry out their role effectively
• receives appropriate induction, and if new to the role, is mentored by a more experienced board secretary for at least their first year
• has adequate time and resources available to undertake their role effectively.

D.16 The board must ensure arrangements are in place to deal with a board secretary’s potential or real conflicts of interest.

Board Member Appointment, Induction and Training

D.17 For boards with responsibility for board appointments, the board must ensure a formal and open procedure is in place for recruiting and selecting new non-executive board members. Boards must have regard to all relevant Ministerial Guidance on board appointments.

D.18 The board is responsible for ensuring appropriate arrangements are in place for the conduct of student elections and nominations, and elections of staff members to the board.

D.19 The chair must ensure that new board members receive a formal induction on joining the board, tailored in accordance with their individual and collective needs. The board secretary should support the chair in the provision of relevant induction for new board members.

D.20 The board must ensure all board members undertake appropriate training and development in respect of their governance role. The board secretary should support the chair in the provision of relevant training and development opportunities for board members, which should be tailored to meet board members skills and needs. The board secretary must keep records of the development activity of board members, including the chair.

D.21 The board must ensure that new committee members receive a committee induction and have their specific training needs assessed and met.

Board Evaluation

D.22 Extension of the term of office of board appointments requires evidence and the board must ensure appropriate mechanisms are in place to support this.

D.23 The board must keep its effectiveness under annual review and have in place a robust self-evaluation process. There should also be an externally facilitated evaluation of its effectiveness at least every three years. The board must send its self-evaluation (including an externally facilitated evaluation) and board development plan (including progress on previous year’s plan) to its funding body and publish them online.
D.24 The board must agree a process for evaluating the effectiveness of the board chair and the committee chairs. The evaluation of the board chair should normally be led by the vice-chair/senior independent member.

D.25 The board must ensure all board members are subject to appraisal of their performance, conducted at least annually, normally by the chair of the board.

D.26 The performance of regional college chairs will also be evaluated by the Scottish Government, as regional college chairs are appointed by the Scottish Ministers and are personally accountable to them.

D.27 The performance of assigned, incorporated college chairs will also be evaluated by the regional strategic body, as they are appointed by the regional strategic body and are personally accountable to them.

Section E: Relationships and Collaboration

Partnership Working

E.1 The board must work in partnership to secure the coherent provision of high quality fundable further and higher education in their localities.

E.2 The board must ensure effective consultation, local and regional planning and must follow the principles of effective collaborative working: mutual respect, trust and working towards commonly agreed outcomes.

E.3 The board must ensure effective partnership working with local and national bodies including businesses, public and third sector organisations to develop commonly agreed priorities following the principles of effective collaborative working.

E.4 The board must encourage and support effective partnership working and collaboration within and across regions to address local needs and meet national priorities and specialisms.
Annex 1

References and Definitions

- "college" means a college funded by either SFC or a regional strategic body.
- "incorporated college" means a college with a board of management under part 1 of the Further and Higher Education (Scotland) Act 1992.
- "assigned college" means a college assigned to a regional strategic body.
- "regional board" means a regional strategic body that has no other functions. There is one regional board – Glasgow Colleges’ Regional Board.
- "board" means the governing body of the college or to the regional strategic body.
- "body" means the organisation in question, i.e. a college or regional strategic body.
- "principal" include where appropriate in the context, the chief officer or equivalent person of a regional strategic body.
- ‘non-executive’ means a member who is not the chair and who does not otherwise hold a specific position on the board i.e. is not a student or staff member; and in the case of a college board, is not the principal; and in the case of a regional board is not the chair of an assigned college.

In the context of the regional strategic body in the Highlands and Islands, the board means either the Court of the University of the Highlands and Islands (UHI) or the UHI Further Education Regional Board (FERB):
- The FERB has fully delegated authority from the UHI Court for FE – objectives, outcome agreement, curriculum and finance.
- The FERB consists of the college chairs, two independents, plus nominees
- The college principals meet as a FE Executive Board.

- New College Lanarkshire is the designated regional college and regional strategic body with South Lanarkshire College as an assigned college.
- Glasgow Colleges’ Regional Board; this is the only part of Scotland with a regional strategic body which has been established as an organisation with only this role.