

**THE GLASGOW SCHOOL OF ART**

**BOARD OF GOVERNORS**

**STATEMENT OF CORPORATE GOVERNANCE 2017/18**

**Approved by the Board of Governors, October 2017**

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## 1. Introduction

The Glasgow School of Art (GSA or 'the School') is a Higher Education Institution (HEI). It forms part of the Higher Education sector in Scotland as recognised by the Further and Higher Education (Scotland) Act 1992 and, for funding purposes, by the Scottish Funding Council (SFC). While the constitutional arrangements for Scottish and UK HEIs vary according to the age and types of institution, they all share fundamental characteristics, namely that they are:

- legally independent corporate institutions;
- bodies with charitable status;
- accountable through a governing body which carries ultimate responsibility for all aspects of the institution.

As an HEI, some aspects of the School's governance arrangements are defined by the Privy Council through an Order of Council (a Scottish Statutory Instrument), derived from the Further and Higher Education (Scotland) Act 1992. This Order was last amended in 2005 and specifies, among other things, the composition of the Board of Governors, including the appointment of Chair and Vice-Chair(s), periods of office, the composition of the Academic Council, and the existence of the Students' Association.

The School is also a Company Limited by Guarantee and is therefore legally required to carry out certain actions as defined by the Companies Act. The School provides annual returns and accounts to Companies House, holds an Annual General Meeting, and maintains an updated list of directors. The Governors of GSA are also the Directors (and Members) of the Company. The Memorandum and Articles of Association for the Company were last updated in 1997.

Given that GSA receives a significant proportion of its income in the form of grants from the Scottish Funding Council (SFC), the School is also bound by the conditions of the SFC Financial Memorandum. In addition to specific financial conditions, notably those relating to audit, the Memorandum also emphasises the importance of HEIs having appropriate and effective governance arrangements in place.

The School has charitable status and therefore has obligations under the Charities and Trustee Investment (Scotland) Act 1995, including responsibility for making annual returns to the Office of the Scottish Charity Regulator (OSCR). The Governors and School's Directorate are the charity Trustees.

The School subscribes to the Scottish Code of Good HE Governance. The School's Statement of Corporate Governance seeks to comply with the Scottish Code of Good HE Governance, while also complying with the various requirements arising from the School's status (as mentioned above) as an HEI subject to Statute, a Company Limited by Guarantee, a charity, and a body receiving funds from the Scottish Funding Council.

*[Note: the Scottish Parliament passed the Higher Education Governance (Scotland) Act in 2016, which includes changes to the composition of the governing bodies of Scottish Higher Education Institutions. The School is developing measures to ensure compliance with the legislation, including appropriate revision of the Order of Council.]*

The School also subscribes to the Seven Principles of Conduct in Public Life. These are:

**Selflessness**

Holders of public office should take decisions solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their families or their friends.

**Integrity**

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that may influence them in the performance of their official duties.

**Objectivity**

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

**Accountability**

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

**Openness**

Holders of public office should be as open as possible about all their decisions and the actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

**Honesty**

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

**Leadership**

Holders of public office should promote and support these principles by leadership and example.

**2. Board of Governors: Statement of Primary Responsibilities**

The Board of Governors has the following responsibilities:

- .1 To play a key role in the development, approval and review of the mission and strategic vision of the School, including:
  - approval of the School’s long-term strategic plans (academic and business), ethos, major investment decisions, risk assessment, and academic and financial sustainability;

- oversight of the School's autonomy, academic freedom and the appropriate participation in decision-making of key constituents, including staff and students.

.2 To be the principal financial and business authority of the School, to ensure that proper books of account are kept, to prepare an annual capital budget, to approve the annual budget and financial statements, to oversee borrowing, to approve the Annual Accounts, to ensure adherence to the Scottish Funding Council's Financial Memorandum, to approve the creation (and monitoring) of subsidiary bodies, and to have overall responsibility for all the School's assets.

The Board shall ensure that there are clear policies in place on a range of systems including treasury management, investment management, risk management, debt management and grants and contracts and shall ensure that such policies are periodically reviewed.

*[Note: investment levels for which authority from the Board is required are shown in the Financial Regulations which the Director of Finance and Resources shall ensure are current and reviewed annually.]*

.3 To appoint the Chair of the Board of Governors, to appoint up to two Vice Chairs, and to appoint new Governors (see also section 3 overleaf).

.4 To:

- appoint the Director (Chief Executive) of the School. A selection committee of the Board of Governors, which shall include an appointed staff member and a student member of the Board, shall undertake the appointment. The Committee will make a recommendation to all members of the governing body who shall be consulted on the appointment. The appointment process is informed by the best practice guidance on appointing senior managers which has been prepared by Universities UK.
- delegate authority to the Director for the academic, corporate, financial, estate and human resources management of the School.
- put in place suitable arrangements (including consultation with all Governors) for monitoring his/her performance.

.5 To appoint the Secretary to the Board (presently the Registrar and Secretary) and ensure that, if the person appointed has managerial responsibilities in the School, there is an appropriate separation in the lines of accountability. The removal of the Secretary to the Board shall be a decision of the Board of Governors as a whole.

.6 To advise on the appointment of the Director of Finance and Resources, given this post-holder's company secretary responsibilities, and to ensure that, if the person appointed has other managerial responsibilities in the School, there is an appropriate separation in the lines of accountability.

.7 To appoint the Deputy Director of the School.

.8 To ensure the establishment and monitoring of systems of control and accountability, including financial and operating controls and risk assessment, and procedures for

handling internal grievances, 'whistleblowing' complaints, conflicts of interest, and any issues relating to inappropriate gifts or hospitality (as outlined in the Bribery Act).

The School has an agreed Risk Management Framework which sets out how risk is identified, assessed and reported. The School's approach to internal control is through management reports to the Board and its committees, and specifically includes an Audit Committee which receives reports from appointed, independent, auditors.

- .9 To ensure that processes are in place to monitor and evaluate the performance and effectiveness of the School against the plans and approved Key Performance Indicators, which should be – where possible and appropriate – benchmarked against other comparable institutions.
- .10 To establish processes to monitor and evaluate the performance and effectiveness of the Board of Governors itself and revise structures and processes where necessary in light of such evaluation, including a major externally-facilitated review at least every five years of the effectiveness of the Board, its committees and Academic Council. This five-yearly review shall include assessment of the Board's effectiveness in relation to both this Statement of Corporate Governance and the Scottish Code of Good HE Governance. There will also be interim internal annual reviews of the Board's effectiveness.
- .11 To conduct its business in accordance with best practice in higher education corporate governance and with accepted standards of ethics and behaviour in public life. Members shall exercise their responsibilities in the interests of the School rather than as representatives of specific constituencies. The Board shall also have due regard to the interests of all stakeholders, including the wider public.
- .12 To be the employing authority for all staff in the School, to be responsible for establishing a human resources strategy, and to oversee payments and allowances to staff, and allowances (expenses) to Governors.
- .13 To determine and review the remuneration of those senior staff members whose salaries are not included within national pay scales. (This function is delegated to the Remuneration Committee). The Board of Governors shall approve the policies and processes used by the Remuneration Committee, which shall report fully to the Board following their meetings to allow the Board to ensure compliance with said policies.
- .14 To ensure that systems and policies are in place for meeting all of the School's legal obligations, including those relating to health and safety, the observance of good practice in equality and diversity, the defence of academic freedom, the requirements of company law, the governing instruments of the School and its charitable status. The Board shall regularly review such systems and policies.
- .15 To appoint, and receive reports from, the Academic Council and to ensure the quality of institutional educational provision and adherence to externally-defined academic quality assurance standards and to foster a suitable environment whereby knowledge may be advanced and the potential of learners fulfilled.
- .16 To make such provision as appropriate for the general welfare of students, in consultation with the Academic Council.

.17 To form, and receive regular reports from, committees to consider major areas of activity. The Board shall have the following committees which will all be chaired by Lay Governors:

- Business Committee
- Audit Committee
- Estates Committee
- Human Resources Committee
- Remuneration Committee
- Nominations Committee
- Investment Committee
- Museum and Archive Committee

The Board will review and approve annually a Schedule of Reservations that is annexed to the Statement of Corporate Governance at Schedule 1a detailing a list of matters that are reserved to the Board. The Board will also review and approve annually a document detailing the remits and membership of Board committees. In the event that there is any doubt as to authority on decision-making, the Chair of the Board or any of the Board Committees must consult with the Registrar and Secretary as Secretary to the Board.

.18 To ensure that the Strategic Plan presented by the Director sets out appropriate arrangements for engaging with the public and the wider communities served by the School.

.19 To approve the constitution and functions of the Students' Association.

.20 To safeguard the reputation and values of the School.

.21 To take all final decisions on matters of major concern to the School.

### **3. Composition of the Board of Governors and Appointment of Governors and Senior Board Officers**

#### **.1 Composition of the Board of Governors**

The Board of Governors consists of:

- A total membership of not less than 11 and not more than 25 members, of which a majority must be independent (lay) members, i.e. members who are not employed by the School. One of these lay Governors should have experience in local government and one should have experience in the provision of education. The remaining lay Governors should have experience in industrial, commercial or employment matters or the practice of any profession (and particularly those relating to disciplines taught within the School). The balance of skills and experience among lay Governors shall be sufficient to enable the Board to meet its primary responsibilities and to ensure stakeholder confidence. A matrix showing the skills, attributes and experience required across the Board's membership, including attributes and goals (having due regard to applicable law)

relating to equality and diversity, has been prepared and is utilised in the recruitment of Governors and is available to view on the School's website.

The following categories, against which appointments are informed, are included in the matrix: education, creative industries, estates, business, legal, finance, local/central government or public sector and community and public engagement.

When a lay Governor demits office or the School seeks to appoint a new Governor, the Nominations Committee or a sub group thereof shall review the balance of skills in the membership of the Board against the skills matrix. This shall inform the appointments process. At the same time the Nominations Committee or a sub group thereof shall also review the membership of the Board taking cognisance of equality and diversity legislation.

It is the School's policy that it will assess and be mindful of the prevailing legislation in respect of equality and diversity when reviewing the lay membership of the Board of Governors. The School has committed to achieving a minimum of 40 per cent of both men and women as lay Governors on the Board of Governors with the remaining 20 per cent being of either gender.

Upon the appointment of a new lay Governor the Board shall receive an updated report from the Registrar and Secretary as Secretary to the Board on the balance of equality and diversity within the Board membership.

The School shall as a matter of course publish on its website a standard advertisement in respect of the appointment of new lay Governors together with a standard letter confirming the terms of appointment of such new Governors and a standard letter confirming the terms of appointment of the Chair of the Board of Governors.

- The Director of the School, the Deputy Director of the School and the President of the Students' Association in the School, as governors ex officio; and
- Staff Governors appointed as follows:
  - i) one who shall be appointed by the Academic Council from among the members of the academic staff of the School who are members of the Academic Council;
  - ii) one who shall be elected by the academic staff of the School;
  - iii) one who shall be elected by the support staff of the School.

## .2 Appointment and Period of Office of Governors

- i) Any governor ex-officio shall hold the office of such a governor for the duration of the tenure of the office by virtue of which this person is a governor.
- ii) Lay Governors shall normally be appointed for a period of three years and any governor appointed (and being eligible) may be further appointed (on the recommendation of the Nominations Committee) on expiry of the term of office.

- iii) A person shall not be appointed as a governor where the term of office, if aggregated with any previous terms of office, would cause that person to serve for more than nine years as a governor. This is applicable also to Staff Governors.
- iv) The Governors shall make rules for the duration of the terms of office of governors appointed, which may be revoked and replaced or varied by further rules made by the Governors, provided that no governor shall be appointed for a term of office of more than three years;
- v) When vacancies in the Board's membership arise, the Nominations Committee or sub-group thereof shall advertise and widely publicise, both internally and externally, written descriptions of the role and the capabilities desirable in a new member, with the subsequent appointments to be managed by the Nominations Committee based on a full evaluation of the balance of skills and experience of the Governors and taking into account the desirability of ensuring diversity of the Governors. When seeking nominations for appointment to the Board of Governors the Board may wish to consider the involvement of members of the local community. In addition the Board may co-opt promising candidates for Board membership onto committees of the Board of Governors to establish suitability of those concerned for membership of the Board itself in due course.
- vi) A governor shall be deemed to have vacated the office as governor and the Governors shall declare the place vacant in any of the following circumstances:-
  - where that person intimates in writing to the Governors his/her resignation as a governor;
  - where the estate of the governor is sequestrated or a bankruptcy order is made against the governor or such governor has granted a trust deed for, or entered into an arrangement with, his/her creditors;
  - where such person becomes unable to carry out the duties of a governor by reason of physical or mental illness;
  - where such governor has missed attending four or more consecutive meetings of the Governors or any of their committees or sub-committees other than for a reason approved by the Governors;
  - in the case of a staff governor, when such person ceases to be a member of the Academic Council or the academic or support staff as the case may be.

### .3 Appointment of Chair and Vice-Chair

- i) The Governors shall appoint a Chair and at least one Vice-Chair (and may appoint up to two Vice-Chairs) from among the Governors.
- ii) Appointments of the Chair and Vice-Chairs shall be managed by the Nominations Committee (membership of which shall include a staff governor and the President of the Student's Association) and, in the case of the Chair, the appointment shall be advertised, taking into account the Board's skills and attributes matrix (see 3.1

above) and a job specification for the post of Chair detailing the skills required, expected time commitments and the need for availability at unexpected times will be prepared. Staff and students will be consulted on the development of the job specification before it is finalised. A formal interview process shall be required for the short-listed candidates. Formal arrangements shall be made, through the appointed staff and student members of the governing body, to enable the views of staff and students to be taken into account before the final appointment is made.

iii) The following provisions shall apply to any Chair or Vice-Chair so appointed:-

- such person shall hold office for such period as may be determined by the Governors;
- the period of office shall not extend beyond that person's period of office as a Governor;
- where a member of the Board of Governors is elected as Chair they shall begin a new three year term of office linked to the office of Chair but shall at no time exceed the nine year limit of service applicable to all Governors;
- such person may resign from office;
- such person may be removed from office by resolution of the Governors; and
- such person shall cease to hold office if that person is deemed to have vacated office as Governor.

.4 Appointment of Governor to act as Intermediary

The Board shall appoint one of the lay Governors to act as an intermediary. Governors may appoint this person to raise any concerns regarding the conduct of meetings or the Chair. The Intermediary will hold an annual meeting of the Board in the absence of the Chair in order to appraise the Chair's performance and provide a report to the Chair.

**4. The Role of the Chair of the Board of Governors**

- .1 The Chair of the Board of Governors ('the Chair') shall chair meetings of the Board of Governors. In the absence of the Chair, the Vice-Chair or in the event of there being more than one, one of the Vice-Chairs shall preside. In the absence of both the Chair and a Vice-Chair, the Governors present may appoint one of their own number to preside at any meeting.
- .2 The Chair (or, in his/her absence, the acting Chair) may attend any meeting and is chair of the Nominations Committee and is a member of the Remuneration Committee, the Business Committee and the Estates Committee.

- .3 The Chair shall show leadership to the Board of Governors and represent the best interests of the School on all occasions, including discussions involving external agencies. The Chair must be seen as being independent in character and judgement. The Chair shall be ultimately responsible for the effectiveness of the Board of Governors and must also ensure the School is well connected with its stakeholders, including staff and students.
- .4 The Chair shall recommend (for approval by the Board) Governors to sit on the various Committees of the Board
- .5 The Chair shall expect the Director to keep him/her informed at all times regarding the affairs of the School. There must be a constructive and challenging working relationship between the Chair and the Director for the Board of Governors to be effective. Further, where the Director has been charged with implementing decisions of the Board, the Chair must ensure that the Director reports back appropriately to the Board.
- .6 The Chair shall attend regular meetings of the Business Committee to receive regular reports from the School's senior management regarding the business of the School.
- .7 The Chair shall ensure that new Governors receive a full induction on joining the Board and that opportunities for further development for Governors are provided. A list of the documents provided to new Governors on induction is detailed in Schedule 2 to the Statement of Corporate Governance.
- .8 The Chair shall make arrangements to review annually the performance of the Director, this process to involve consultation with all Governors. In assessing the performance of the Director, account should be taken of the implementation of the strategic plan and the achievement of KPIs agreed by the Board. Any proposed changes to the Director's salary following appraisal must follow the procedures and policies of the Remuneration Committee.
- .9 The Chair shall have powers to act on behalf of the Board of Governors in respect of matters that are judged too urgent and important to await the next meeting of the Board of Governors. In such circumstances the Chair has the option of calling a special meeting, consulting the members of the governing body by correspondence, or dealing with the matter by chair's action. Chair's action on matters of importance is only appropriate where delaying a decision will disadvantage the School. In such circumstances the Chair should consult with the Director and the Registrar and Secretary as Secretary to the Board of Governors.

The Chair may deal with routine matters on behalf of the Board of Governors in between meetings. This will normally consist of business that would not have merited discussion at a governing body meeting such as the signing of routine documents and detailed implementation of matters already agreed by the governing body. The Chair shall report any action taken to the next meeting of the Board.

- .10 On occasions that disciplinary matters involving senior staff of the School require independent input, the Chair may be invited to take part in the School's formal processes, or may nominate an appropriate Governor or Committee of Governors to participate in these processes.

## **5. Discharge of Functions by the Director**

- .1 The Governors shall make arrangements to secure that such of their functions as are specified below shall be discharged on their behalf by the Director of the School.
- .2 The Director is the Chief Accountable Officer of the School responsible for providing the Governors with advice on the strategic direction of the School and its management and is the designated officer in respect of the use of Scottish Funding Council funds and compliance with the Council's Financial Memorandum.
- .3 In pursuance of arrangements made under paragraph .1 above, the Director shall discharge the functions of the Governors relating to:
  - the day to day organisation and management of the School and the discipline therein, and
  - with the advice of the Academic Council, the overall planning, co-ordination, development and supervision of the academic work of the School.
- .4 In discharging the functions specified above, the Director shall be subject to the general control and direction of the Governors but otherwise the Director shall have all the powers and duties of the Governors in relation to those functions insofar as they are not reserved to the Board in the above Statement of Primary Responsibilities and in the Schedule of Reservations annexed to the Statement of Corporate Governance. Where the Director is charged with implementing decisions of the Board of Governors, the Director must ensure that this is appropriately reported back to the Board.
- .5 The Director shall ensure that procedures are in place and appropriately disseminated regarding risk management.

## **6. The Role of Secretary to the Board**

The Registrar and Secretary is the Secretary to the Board of Governors. The Secretary to the Board is responsible for ensuring that the business of the Board is conducted smoothly and efficiently, that the Board operates within its powers, and that the Board follows agreed and proper procedures. The Secretary to the Board should ensure the School complies with all relevant statutory and regulatory requirements (including the Order of Council, the Scottish Code of Good HE Governance and the Higher Education Governance (Scotland) Act 2016) and must be able to offer impartial advice to the Board and ensure that the proceedings of the Board and its committees are recorded fully and accurately. The Secretary to the Board should be solely responsible for providing legal advice to or obtaining it for the Board of Governors, and advising it on all matters of procedure.

Irrespective of his/her other duties within the School, the Secretary to the Board is solely responsible to the Board in his/her role as secretary to the governing body and therefore has a direct link to the Chair of the Board for the conduct of governing body business. As specified in the Scottish Code of Good HE Governance, the Secretary to the Board is responsible for alerting the Board to any action on the part of either the Director or the Board of Governors itself which might exceed defined limits of authority, and is also

responsible for advising the Chair of any matters where conflict may occur between the governing body and the Director.

The Secretary to the Board has the right to attend any meeting of the Board, or any meeting of any committee established by the Board, except where any such meeting is deliberating on the remuneration, conditions of appointment, conduct, dismissal or retirement of the appointee.

The Secretary to the Board will be responsible for:

- ensuring that the conduct of the business of the Board, and of individual members, accords with the high standards expected of people in public office.
- planning the business of the board and its Committees. This will include:
  - timetabling of meetings
  - preparation for meetings, including agendas; and
  - commissioning and distribution of papers in a timely manner.
- ensuring that meetings of the Board and its Committees are properly run, including ensuring that Governors can receive appropriate advice and that the meetings are minuted properly and appropriate records kept.
- ensuring that Governors are appointed and replaced in accordance with the Order of Council and the Scottish Code of Good HE Governance.

All individual members of the Board shall have access to the advice and services of the Secretary to the Board.

## **7. The Role of Director of Finance and Resources**

The Director of Finance and Resources attends the Board of Governors and relevant Board committees, including the Audit Committee, the Business Committee, the Estates Committee and the Remuneration Committee. As part of his/her role, the Director of Finance and Resources undertakes appropriate company secretary duties, where appropriate in consultation with the Secretary to the Board. In particular, the Director of Finance and Resources is responsible for ensuring that the School complies with the requirements of the Companies Acts; the Memorandum and Articles of Association of the Company and the Financial Memorandum between the School and the Scottish Funding Council.

The Director of Finance and Resources is responsible for ensuring that the Annual Report and Accounts are prepared on time and comply with the Companies Acts and the relevant accounting statements. He/she is also responsible for:

- ensuring that the Registered Office is maintained, its address is correctly recorded with Companies House and that all official notices to the School delivered to the Registered Office are attended to properly.

- arranging general meetings of the Company and ensure that proper notice is issued for the Annual General Meeting and any Extraordinary General Meetings that are called.
- ensuring that Financial Regulations and procedures are in place, approved by the Board and appropriately disseminated and periodically reviewed. This includes making reference to treasury management, debt management and grants and contracts.
- ensuring that the annual Financial Plan and the annual Operating Plan are submitted to the Board of Governors for approval in alignment with the Strategic Plan.
- ensuring that the approval of the Annual Budget by the Board of Governors is noted annually on the agenda for the meeting of the Board of Governors.
- ensuring that the School's Annual Report is circulated to academic and other departments and to the students' representative body. The Assistant Secretary to the Board of Governors will provide the Director of Finance and Resources with details of training made available to members of the Board of Governors during the year to which the report relates so that these details may be included within the Annual Report as is required.
- ensuring that value for money on procurement is achieved through ensuring that adequate procurement policies and procedures are in place; that policies and procedures are consistently applied, and that there is compliance with relevant legislation. The Director of Finance and Resources is also responsible for ensuring that the School's procurement procedures, including procedures governing conflicts of interest relating to procurement matters, form part of the Financial Regulations, and are approved by the Board of Governors.
- ensuring that the Board of Governors is appraised of health and safety, incident management and business continuity, and estates matters as appropriate.

All individual members of the Board shall have access to the advice and services of the Director of Finance and Resources.

## **8. Academic Council**

- .1 Subject to paragraph .2 below, the Governors shall appoint, and maintain by further appointment, an Academic Council.
- .2 The proceedings of the Academic Council shall be regulated in accordance with the Order of Council.
- .3 The Governors shall confer on the Academic Council the following functions:
  - i) advising the Director in relation to the overall planning, co-ordination, development and supervision of the academic work of the institution: and
  - ii) such other functions of the Governors as may be assigned to the Academic Council by the Governors:

- .4 In discharging the functions specified in paragraph .3 above, the Academic Council shall have all the powers and duties of the Governors in relation to those functions and shall have the power to make any recommendations to the Governors on such matters relating to those functions as the Academic Council may think fit.
- .5 The Governors shall receive regular reports from the Academic Council and ensure that the Academic Council discharge the functions imposed on them by or under paragraph .3 above.

## **9. Standing Orders for Meetings of the Board of Governors**

### **.1 Frequency of Board Meetings**

The Board shall normally meet a minimum of five times per annum and these meetings shall normally be within academic terms, with the first meeting being held at the beginning of October and the last meeting at the end of June in the following year. The December meeting will coincide with the Annual General Meeting of Glasgow School of Art ('the Company').

### **.2 Quorum**

The quorum necessary for the transaction of business by the Board will be four, none of whom shall be ex-officio or elected staff governors.

### **.3 Voting**

In the absence of consensus, a simple majority shall apply, with the Chair (or the Governor acting as Chair in the Chair's absence) holding both a deliberative and casting vote.

### **.4 Extraordinary Meetings**

Extraordinary meetings of the Board may be called by the Chair (or a Vice-Chair or other Governor acting as Chair) and may also be called by a written requisition specifying the purpose of the meeting and signed by at least half of the Board membership. Unless there are special circumstances, at least five days notice shall be given of extraordinary meetings.

### **.5 Conduct of Board Members**

Members must attend meetings of the Board regularly and actively participate in its proceedings. The Board shall exercise its responsibilities in a corporate manner, i.e. decisions should be taken collectively by all of the members acting as a body. Members should not act individually or as representatives of a constituency or in informal groupings. Members must act with selflessness, integrity, objectivity, accountability, openness, honesty and leadership in respect of the School.

.6 Open Proceedings/Reserved areas of business

The proceedings of the Board of Governors shall be conducted in as open a manner as possible, and information and papers restricted only when the wider interest of the institution or public interest demands, including the observance of contractual obligations. The Board may consider as a reserved area of business, any matters that it considers to be confidential. The reservation of any business must be raised at the start of meetings of the Board of Governors and Board Committees, following consultation with the Secretary to the Board.

Where any meeting of the Governors or of any committee of the Governors, as the case may be, is to consider any of the following matters, that is to say, the salary, conditions of service, appointment, promotion, suspension or dismissal of any member of the staff of the School, any governor who is a governor ex officio by virtue of holding office as Convener of the Students' Association, or as a staff governor in accordance with the Order of Council, shall withdraw from the meeting, or that part of the meeting, as the case may be, at which any of the said matters are to be considered, unless invited to remain by virtue of a resolution of the remaining members of the Governors or committee thereof, as the case may be, present at the meeting.

.7 Validity of proceedings of the Governors.

No failure or defect in the appointment of any governor and no vacancy in the office of governor shall prevent the Governors from acting in the execution of their functions, nor shall any act or proceedings of the Governors or any committee appointed by the Governors be invalidated or be illegal by reason of or in consequence of any such vacancy or of any such defect in the appointment of any one or more governors.

.8 Variation/Rescission of Decisions of the Board of Governors

A decision of the Board of Governors shall continue to be operative and binding until varied or rescinded but no motion to vary or rescind any decision made within the preceding twelve months shall be competent except with the consent of two thirds of the lay members present and voting at a quorate meeting. However, it shall be competent to deal with the subject matter afresh without two thirds of lay members' consent where the Chair is satisfied that a material change of circumstances has occurred.

10. **Register of Interests**

Governors and senior members of staff with significant financial responsibility must notify the Secretary to the Board of all membership, directorships and paid employment held by them in public bodies, companies or firms together with any other interests which might influence their judgment. The Register of Interests is available for public inspection and is published on the School's website. If a Governor or senior member of staff has interest in any proposed contract or other matter that is to be considered by the Board, the Governor or senior member of staff should disclose the interest as soon as possible and before the matter is discussed.

**11. Related Companies**

The responsibilities of the Board extend to any related companies or other business entities owned or controlled by the School. In this context, the School should be represented on the board of directors of any related companies by independent lay member(s) of the Governors or by individual(s) nominated by the Governors.

**12. Annual General Meeting of the Company**

The Annual General Meeting of the Company approves the Annual Accounts, considers the report from the (external) auditors, and appoints or reappoints the external auditors.

(Ends)

Attached: *Schedules to the Corporate Governance Statement*

## **GLASGOW SCHOOL OF ART: STATEMENT OF CORPORATE GOVERNANCE 2017/18**

### **SCHEDULE 1 TO THE STATEMENT OF CORPORATE GOVERNANCE**

#### **A) GENERAL SCHEDULE OF RESERVATIONS**

The Board of Governors has responsibility for approving the following:

1. The Statement of Primary Responsibilities of the Board of Governors.
2. The mission and strategic vision of the School.
3. The School's Strategic Plans (academic and business).
4. The Annual Report.
5. The Financial Statements.
6. The Annual Budget.
7. The Capital Budget.
8. The Financial Forecasts.
9. The Outcome Agreement with the Scottish Funding Council.
10. Specific loan funding. (see point B of Schedule 1 - Financial Authority)
11. The Financial Regulations.
12. Any School wide strategies, appropriate policies and formal reports including those relating to:
  - a. Risk assessment/management
  - b. Major investment decisions
  - c. Academic sustainability
  - d. Financial sustainability
  - e. Human Resources
  - f. Estate Strategy
  - g. Legislative Compliance
13. Major statements complying with statutory or other legal requirements including those relating to the governing instruments of the School and its charitable status.
14. The Remuneration Policy for those senior staff members whose salaries are not included within national pay scales.
15. The constitution and function of the Students' Association.
16. Changes (variation, amendment or revocation) to the School's governing order (subject to Privy Council approval).
17. Standing Orders of the Board of Governors.

The Board of Governors is also responsible for:

18. The creation and monitoring of subsidiary bodies.
19. The approval and monitoring of the key performance indicators of the School.
20. The establishment and monitoring of systems of control and accountability.
21. The appointment of the Chair of the Board of Governors, any Vice-Chairs, lay Governors, the Director, Deputy Director(s) and the Secretary to the Board.
22. The dismissal of the Chair of the Board of Governors, any Vice-Chairs, lay Governors, the Director and the Secretary to the Board.
23. The monitoring and evaluation of the effectiveness of the Board of Governors itself.
24. The appointment of, and receipt of reports from, the Academic Council.
25. The formation of, and receipt of regular reports from, Committees to consider major areas of activities.
26. The appointment and removal of the School's internal and external auditors.
27. The consideration and approval of the Audit Committee Annual Report.
28. The consideration and approval of the Internal Audit Plan.
29. Any other matters which may be identified by the Scottish Funding Council for Further and Higher Education as requiring the approval of the full Board of Governors.
30. Any matter which might have a significant bearing on the reputation of the School.

## **B) Financial Authority**

Details of delegated financial authority are set out in the Financial Regulations. The Director of Finance and Resources shall ensure that the Financial Regulations are current and are reviewed annually, with approval sought from the Business Committee or the Board of Governors as appropriate.

## **SCHEDULE 2 TO THE STATEMENT OF CORPORATE GOVERNANCE**

### **MATERIALS PROVIDED ON THE INDUCTION OF NEW GOVERNORS:**

- GSA Statement of Corporate Governance (updated annually)
- Scottish Code of Good HE Governance
- GSA Strategic Plan and strategy documents covering areas such as learning and teaching, research, widening participation and estates.
- Current Operational Plan(s)
- List of GSA Committee Remits and Memberships
- Board of Governors' Committee Structure
- Recent Board Minutes (*and appropriate Board committee minutes*)
- List of Board and committee meeting dates
- Other rules and procedures of the governing body
- GSA Annual Report and Accounts
- GSA Management Accounts (most recent) and Financial Forecasts
- Scottish Funding Council Outcome Agreement
- Scottish Funding Council Financial Memorandum
- Leadership Foundation Courses brochure
- Legal Advice on Governors' Responsibilities and Liabilities
- CUC publications (if appropriate), e.g. Handbook for Members of Audit Committees in HE, or the "Getting to Grips" guides.

(Ends)