

# City University of Hong Kong The Council

## Code of Practice for Council Members



香港城市大學

City University of Hong Kong

# Contents

<b>1. Introduction.....</b>	<b>1</b>
<b>2. Summary of the Responsibilities of Council Members .....</b>	<b>2</b>
2.1 Proper Conduct of Business .....	2
2.2 Strategic Planning .....	2
2.3 Monitoring Performance.....	3
2.4 Finance.....	3
2.5 Audit .....	3
2.6 Estate Management.....	3
2.7 Charitable Status.....	3
2.8 Staffing .....	4
<b>3. The Legal Status of the University .....</b>	<b>5</b>
<b>4. The Governance Framework of the University .....</b>	<b>6</b>
4.1 The Council.....	6
4.2 The Senate .....	6
4.3 The Court .....	7
4.4 Principal Officers of the University.....	7
<b>5. The Conduct of Council Business .....</b>	<b>9</b>
5.1 Proper Conduct of Public Business .....	9
5.2 Rules and Procedures for the Conduct of Business .....	10
5.3 Role of the Chairman.....	11
5.4 Role of the President.....	11
5.5 Members of the Council.....	12
5.6 Strategic Planning .....	14
5.7 Delegation .....	15

5.8	Committees and the Proper Conduct of Public Business.....	17
5.9	Appointment of Council Members.....	18
5.10	Rotation of Members .....	19
5.11	Principle of Openness and Transparency in the Operation of the Council .....	19
5.12	Review of the Effectiveness of the Council and the Institution .....	20
<b>6.</b>	<b>Financial Affairs and their Regulation.....</b>	<b>21</b>
6.1	UGC Requirements.....	21
6.2	Procurement .....	21
<b>7.</b>	<b>Staffing Matters.....</b>	<b>23</b>
7.1	Staff Selection.....	23
7.2	Suspension and Dismissal of Staff.....	23
7.3	“Whistleblowing” .....	24
7.4	Equal Opportunities .....	24
<b>8.</b>	<b>Students’ Union .....</b>	<b>25</b>
	<b>Acknowledgements .....</b>	<b>26</b>
	<i>Approved by Council (22 November 2004)</i>	
	<b>Appendices .....</b>	<b>27</b>
	<i>Appendix 1 - City University of Hong Kong Ordinance.....</i>	<i>27</i>
	<i>Appendix 2 - Rules of Procedure for the Council and its Committees.....</i>	<i>40</i>
	<i>Appendix 3 - Terms of Reference and Membership of Major Council Committees .....</i>	<i>47</i>

# **1. Introduction**

The mission of the University is the provision of teaching and the pursuit of knowledge and research. It contributes to the economic development of Hong Kong through its activities and is committed to principle of academic freedom. Through its Ordinance it is an autonomous organisation responsible for the management and direction of its own affairs. Members of the Council of the University need to recognise, and be committed to the mission of the University in order to contribute to the work of the Institution.

This Guide is intended to assist Council members in the performance of their duties. It outlines the legal status and governance structure of the University and its relationship to the Hong Kong SAR Government and the University Grants Committee (UGC). It considers the roles and responsibilities of Council members in performing their duties and how the business of the Council should be conducted.

## 2.

# Summary of The Responsibilities of Council Members

The University is a legally independent corporate institution which has the purpose of providing teaching and undertaking research. It contributes to economic growth through research and developing links with industry and the community. The Council is the executive governing body of the University and has the responsibility for ensuring the effective management of the Institution and for planning its future development. It has ultimate responsibility for all the affairs of the University.

The constitution and powers of the University are laid down in, and limited by, the University Ordinance. The Council should ensure that the University does not extend its activities beyond those permitted.

The main responsibilities of the Council are:

### 2.1 Proper Conduct of Business

The Council is entrusted with funds, both public and private, and therefore has a particular duty to observe the highest standards of corporate governance. This includes ensuring and demonstrating integrity and objectivity in the transaction of business and, wherever possible, following a policy of openness and transparency in the dissemination of its decisions.

### 2.2 Strategic Planning

The Council is responsible for enabling the University to achieve and develop its primary objectives of teaching and research. This responsibility includes considering and approving the University's strategic plan, which sets the academic aims and objectives of the University and identifies the financial, physical and staffing strategies necessary to achieve these objectives.

The Council has established a Strategic Development Committee to assist in this matter.<sup>Note</sup>

## **2.3 Monitoring Performance**

The Council is responsible for regularly monitoring the performance of the University against its planned strategies and operational targets. The Council has established an Audit Committee to undertake this task. (see Section 5.8 (c))

## **2.4 Finance**

The Council's financial responsibilities include:

- ensuring the solvency of the institution and safeguarding its assets;
- approving the financial strategy;
- approving annual operating plans and budgets which should reflect the University's strategic plan;
- ensuring the existence and integrity of financial control systems and monitoring these through the Audit Committee; and
- receiving and approving annual accounts (financial statements).

The Finance and Audit Committees cover these requirements on behalf of the Council. (see Section 5.8 (b) and 5.8 (c))

## **2.5 Audit**

The Council is responsible for directing and overseeing the University's arrangements for internal and external audit. The Audit Committee undertakes this task and is also responsible for conducting value for money audits and for monitoring the performance of the University management to ensure its decisions are in line with the agreed strategic directions of the University. (see Section 5.8 (c))

## **2.6 Estate Management<sup>Note</sup>**

The Council is responsible for oversight of the strategic management of the University's land and buildings. As part of this responsibility it considers, approves and keeps under review an estate strategy which identifies the property and space requirements needed to fulfil the objectives of the University's strategic plan. This responsibility is covered by the terms of reference of the Strategic Development Committee.

## **2.7 Charitable Status**

The University enjoys charitable status under the Inland Revenue Department. The Council must ensure that the property and income of the institution are applied only in support of purposes which are defined as charitable.

## 2.8 Staffing

The Council has responsibility for the institution's employment policy. This includes ensuring that pay and conditions of employment are properly determined and implemented. The Council is also responsible for appointing and setting the terms and conditions of service for the President and the Deputy President. The Council has established a Human Resources Committee to assist in meeting these responsibilities. The Committee is responsible for setting the manpower planning policies of the University, establishing disciplinary procedures and recommending procedures for redundancy and any early retirement schemes. (see Section 5.8(d)) The terms and conditions of service for the President and the Deputy Presidents are dealt with by the Executive Committee of the Council.

*Note:*

*Given that the University has completed most of the capital projects and other issues which would fall under the remit of the Strategic Development Committee, these matters can now be more effectively dealt with by forming single-purpose ad hoc committees. Consequently, the Council considered and resolved at the 72<sup>nd</sup> meeting held on 27 March 2014 to dissolve the Strategic Development Committee and to form single-purpose ad hoc committees or task forces as the need arises.*

*(Last updated on 27 March 2014)*

### 3.

## The Legal Status of the University

The University is an autonomous institution established by Ordinance by the Hong Kong Government on 17 November 1994. A copy of the Ordinance is presented in Appendix 1.

The Ordinance states that:

*“The objects of the University, shall, subject to this Ordinance, be to provide for studies, training and research and development in technology, engineering, science, commerce, arts and other subjects of learning”.*

The Ordinance empowers the University:

*“...to do all such things as are necessary for, or incidental or conducive to, or connected with, the furtherance of its functions...”*

The Ordinance establishes the Council as the supreme governing body of the University and states that:

*“The Council may exercise the powers, and shall perform the duties, of the University.”*



## 4. The Governance Framework of the University

### 4.1 The Council

The Council is the executive governing body of the University. It is responsible for the University's finances and investments and for the management of the University estate and buildings. It has authority to enter into contracts on behalf of the University and to enter into loan and mortgage agreements. Subject to the powers of the Senate, the Council is responsible for the conduct of all the affairs of the University.

The Council has a majority of lay members. Currently the total potential membership of the Council is 23 of whom 15 are lay members.

The Council normally meets four times each year in March, June, October and November. Additional special meetings are arranged if the need arises. Most of the work of Council is conducted through its committees which make regular reports to the main Council meetings. The Governance Review, undertaken by the Council, recommended that the Council, and its committees, should concentrate on strategic issues and leave the management and administration of the University in the hands of the President and his senior staff.

### 4.2 The Senate

The Senate is responsible for regulating and directing the academic work of the University. Since the Council is the supreme authority for the University, constitutionally the Senate reports to the Council. However, purely academic decisions rest with the Senate; those which have resource or financial implications are subject to the approval of the Council. Any Council decisions which have academic implications, for example the creation of a new Faculty, should be subject to consultation with the Senate.

The Senate's responsibilities include:

- planning and developing the academic programmes offered by the University;
- directing and regulating the teaching and research of the University;
- ensuring that quality assurance processes for the academic work of the University are in place;
- regulating the admission of students to programmes of study;
- regulating the examinations leading to academic awards of the university; and
- approving the award of the University.

The Senate is not responsible for the award of Honorary degrees and other honorary awards; this is the prerogative of the Council.

### **4.3 The Court**

The Court is the supreme advisory body of the University. It offers a means whereby the wider interests of the community can be brought to the University. And it provides a public forum where the members can raise any matters about the University. It is a large body and meets once every year.

The Court receives an annual report from the President, seeks funds for the University and generally promotes the interests of the University in Hong Kong.

### **4.4 Principal Officers of the University**

The Principal Officers of the University and their duties are defined in the Statutes. They comprise the following:

#### **4.4 (a) Chancellor**

The Chancellor, who is the Chief Executive of the Hong Kong SAR, is the head of the University. The Chancellor can confer degrees, including honorary degrees in the name of the University. The Chancellor may appoint a Pro-Chancellor who can exercise the powers and perform the duties of the Chancellor.

#### **4.4 (b) Pro-Chancellor**

The Pro-Chancellor is appointed by the Chief Executive. On the authorisation of the Chancellor and on the Chancellor's behalf, the Pro-Chancellor can exercise the powers and perform the duties of the Chancellor.

**4.4 (c) Council Chairman**

The Council Chairman is a lay member of Council. He is appointed by the Chief Executive and chairs the meetings of the Council and the Executive Committee of the Council.

**4.4 (d) Deputy Chairman**

The Deputy Chairman is appointed by the Chief Executive and acts for the Chairman in his absence.

**4.4 (e) Treasurer**

The Treasurer is appointed by the Chief Executive and is responsible for overseeing the financial affairs of the University. He chairs the Finance Committee of the Council and also the Pension Committee of the University's superannuation scheme.

**4.4 (f) The President**

The President of the University is appointed by the Council who, subject to Council's control, is vested with the management, conduct and administration of the University, and the welfare and discipline of staff and students. The Council may appoint a Deputy President who shall undertake such duties as the President may direct.

*(Last updated on 27 March 2014)*

## 5. The Conduct of Council Business

### 5.1 Proper Conduct of Public Business

The Council is entrusted with public funds and therefore has a particular duty to fulfil the highest standards of corporate governance at all times, and to ensure that it is discharging its duties with due regard for the proper conduct of public business. The UK Committee on Standards in Public Life has identified seven principles of public life which are followed by the University Governing Bodies in the UK. Since they are universal principles of good practice, it is recommended that they be followed by the University Council. They are as follows:

#### 5.1 (a) *Selflessness*

Council members 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.

#### 5.1 (b) *Integrity*

Council members should not place themselves under any financial or other obligation to outside individuals or organisations that might influence them in the performance of their official duties.

#### 5.1 (c) *Objectivity*

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

#### 5.1 (d) *Accountability*

Council members are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their holding office.

**5.1 (e) Openness**

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

**5.1 (f) Honesty**

Council members 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.

**5.1 (g) Leadership**

Council members should promote and support these principles by leadership and example.

**5.2 Rules and Procedures for the Conduct of Business**

The Council meets at regular intervals and at least four times per year. The Council Chairman has the right to declare any item as “reserved business”. The content of such items should remain confidential and discussed only by Council members. The minutes recording the discussion of such matters will be issued separately to members and will not be incorporated into the general minutes which are available outside the Council. The quorum for a meeting of the Council is 50% of the members for the time being.

In order to function efficiently, the Council has an agreed set of Rules of Procedure; a copy of these is attached at [Appendix 2](#). These cover issues such as the calling of meetings, the order of business, procedures and voting, reserved business and withdrawal of members, confidentiality, etc. The rules and procedures apply to all committees of the Council except where agreed otherwise by the Council.

The University recognises that members are usually very busy people, with major commitments to their own organisations. Many have to spend considerable periods of time outside Hong Kong making it difficult, on occasions, for them to attend meetings of the Council. In view of this problem and taking into account the recent developments in technology, members can participate in meetings by video-conferencing or telephone-conferencing. Such “attendance” will be recorded in the minutes and for purposes of record, they will be regarded as full-attendance at the meeting.

The Council exercises its responsibilities in a corporate manner, i.e. decisions are taken collectively by members acting as a body. Members are not permitted to act individually or in informal groupings to take decisions on Council business on an ad hoc basis outside the constitutional framework of the meetings of the Council or its committees.

### **5.3 Role of the Chairman**

The Chairman is responsible for the leadership of the Council. He is responsible for ensuring that Council members work together effectively and have confidence in the procedures laid down for the conduct of business. The Chairman ensures that the Council observes the seven principles of public life, (identified in section 5.1 above), and ensures that the Council discusses those issues which it needs to discuss, and dispatches its responsibilities in a business-like manner.

Through leadership of the Council, the Chairman plays a key role in the business of the University, but should take care not to be drawn into the day-to-day executive management which is the responsibility of the President. The relationship between the Chairman and the President is mutually supportive but also incorporates the checks and balances imposed by the different roles each has within the University's constitution.

### **5.4 Role of the President**

In accordance with the Ordinance, the Council is responsible for determining the overall strategic direction of the University. It establishes the budgetary framework, appoints the President, and the Deputy President, and exercises general oversight over the University's performance and development. Subject to the control of the Council, the President is responsible for the executive management of the University and its day-to-day direction.

The President should not seek to determine matters reserved for the Council and conversely the Council should avoid involvement in the day-to-day executive management of the University.

The specific responsibilities of the President include:

- implementing the decisions of the Council or ensuring that they are implemented through the relevant part of the University's management structure; and

- initiating discussion and consultation including, where appropriate, consultation with the staff and the Senate on proposals concerning the institution's future development, and ensuring that such proposals are presented to the Council.

## 5.5 Members of the Council

Members of Council are members of the University and, with the exception of the medical and dental facilities, may use the general facilities of the University, e.g. the Library, restaurants, car park, etc. on a personal basis.

It is central to the proper conduct of public business that the Chairman and members of Council should act and be perceived to act impartially, and not be influenced in their role as Council members by social or business relationships.

Any member who has a pecuniary, family or other personal interest in any matter under discussion at any meeting of the Council or one of its committees at which he is present shall as soon as practicable disclose the fact of his interest to the meeting and shall withdraw from that part of the meeting.

A member is not, however, considered to have a pecuniary interest in matters under discussion merely because he is a member of staff or a student of the University. Nor does the restriction of involvement in matters of direct personal or pecuniary interest prevent members from considering and voting on proposals to insure the Council against liabilities which it might incur.

The University maintains a register of interests of members of the Council. The register is updated regularly and is kept by the Secretary to Council.

Members are expected to express their views and debate on issues coming before Council in a free and open manner including the right to disagree amongst themselves on the right decision or course of action. However, once a decision has been taken it should be regarded as a corporate decision of the Council. Members can request that their dissent be recorded in the minutes but they should not reopen the debate outside the framework of the meetings of the Council or its committees.

### **5.5.1 *Members as Representatives***

Members nominated by particular constituencies should not act as if delegated by the group they represent. No member may be bound, when speaking or voting, by mandates given to him by others, except when acting under approved arrangements as a proxy for another member of the Council.

### **5.5.2 *Induction and Development***

Members of the Council, when taking up office, should be fully briefed on the terms of their appointment and be made aware of the responsibilities placed on them for the proper management of the University. They should receive copies of relevant background documents at the time of their appointment. These include, for example, a copy of this Guide; the University's annual report, financial statements, and financial forecast; the overall strategic plan, and strategy documents covering areas such as learning and teaching, research, notes describing the institution's organisational structure; and the rules and procedures of the Council. Provision of these documents for new members is the responsibility of the Secretary to Council.

An induction or briefing session for new members is provided, in order to explain their responsibilities, the function of the Council and other organisations within the Higher Education system of Hong Kong, and the strategic objectives of the University.

Following initial induction, members regularly receive copies of both the University's newsletter and appropriate publicity material about the institution to help them stay up-to-date with developments. There is also an onus on members to keep themselves informed.

### **5.5.3 *Expenses***

The Council does not remunerate its members, but it may pay such traveling, subsistence or other allowances as it may determine when members are engaged on Council business.



#### **5.5.4 *Personal Liability***

The law relating to the personal liabilities of members of Councils is complex and its interpretation is ultimately a matter for the courts. This Guide does not therefore attempt a statement of the law, but offers some general guidance on conduct, to avoid actions which could involve a personal liability.

Members of Council should satisfy themselves that they understand their own position in the University:

- act honestly, diligently and in good faith;
- be satisfied that the course of action proposed is in accordance with the University's Ordinance and Statutes;
- not bind the University to a course of action which it cannot carry out;
- seek to ensure that the University does not continue to operate if it is insolvent;
- seek to persuade colleagues by open debate, and register dissent if they are concerned that the action would be contrary to any of the above; and
- avoid putting themselves in a situation where there is actual or potential conflict between their interests and those of the University.

If this advice is followed it is unlikely that personal liability could arise, particularly since the powers and responsibilities of the Council are exercised in a collective manner and decisions are made by formal resolution. Moreover, the University is a separate legal entity, distinct from its members or officers. However, claims may be made in relation to the collective decisions and actions of the Council. The University has taken out insurance against the costs of any such claims of negligence that may be made against members of the Council in carrying out their duties.

### **5.6 Strategic Planning**

The Council relies on the President to be responsible for the operational management of the institution, and to offer guidance to the Council on issues coming before it. However, the Council has particular concern for the strategic development of the University. It considers and approves the University's strategic plan, which

influences and guides all decisions coming before the Council. It also approves the annual operating plan which identifies those aspects of the strategic plan being implemented in the year in question.

Strategic plans play an important role in informing the relationship between the University and the University Grants Committee. In particular, the University is required to submit Academic Development Proposals to the UGC, usually on a three-year cycle, which form the basis for the funding decisions of the UGC for the triennium concerned.

The strategic plan normally looks forward five to ten years or more, setting out the University's key strategic aims and objectives, and integrates the main areas of University activity. The plan therefore usually covers:

- the mission and/or vision of the University;
- external and internal factors likely to impact on the University and how the strategy responds to these;
- the current strategic position of the University;
- its long-term aims;
- principal objectives;
- financial strategy; and
- main proposals for implementation and associated targets.

## **5.7 Delegation**

The Council delegates work to its committees, authority to the Chairman to act on its behalf, and responsibility to the President and officers of the institution. Such delegations are clearly defined in the Manual of Authorities which is available to members of the University, including Council members.

Having delegated authority to other bodies or individuals to act on its behalf, the Council is nevertheless still ultimately accountable and has to accept corporate responsibility for the actions taken.

### **5.7.1 Delegation to the Chairman**

The Council has delegated authority to the Chairman to act on its behalf between meetings. Action taken under delegated authority will normally

consist of routine business which would not have merited discussion at a Council meeting (such as the signing of routine documents, and detailed implementation of matters already agreed by the Council).

Occasionally, matters may arise which are judged too urgent and important to await the next meeting of the Council. The Chairman then has the option of calling a special meeting, placing the matter before the Executive Committee for consideration, or dealing with the matter by circulation or by chairman's action. The Chairman should be careful not to take decisions by chairman's action where it is inappropriate to do so, and not to exceed the scope of the delegated authority granted by the Council. Chairman's action on matters of importance should only be taken where delaying a decision would disadvantage the University.

The Chairman is answerable to the Council for any action which he takes on its behalf. Where chairman's action is taken, a written report should be made to the next meeting of the Council.

### **5.7.2 *Delegation to Committees and Retention of Key Functions***

The Council has delegated a major portion of its work to its committees. However, the Council retains a schedule of matters reserved to it for its collective decision. These include final decisions on issues of corporate strategy, the review and approval of the University's financial forecasts and financial statements, and the terms and conditions of employment of the various classes of staff in the University and the appointment of the President and the Deputy President. Currently the Council also retains the right to create Faculties on the advice of the Senate.

All the Council committees have a clear remit, written terms of reference, clearly stating the extent and limits of the committee's responsibilities and authority and a composition approved by the Council. Committees must take care not to exceed their terms of reference and should be so advised by the Secretary to the Council. Committees should distinguish between issues on which they are empowered to take decisions, and issues which they must remit to the Council for decision. Where a committee is acting under delegated powers it should submit regular written reports to the Council on the decisions which it has taken on the Council's behalf.

Membership of committees provides a particular opportunity for members of the Council to contribute their expertise to the University.

### **5.7.3 *Subsidiary Companies***

The Council may establish wholly owned subsidiary companies, if it feels that such a course of action is beneficial to the University. Such companies can limit the liability of the University and may be particularly appropriate to manage self-financing operations. Notwithstanding the fact that such companies limit the liability of the University, the Council should ensure that their actions are consistent with the objectives of the University and do not adversely affect its reputation or standing in the community. In particular, their activities should complement those of the University and any possibility of overlap or direct competition with the University proper should be avoided. Such companies are required to keep appropriate financial accounts for scrutiny by the University and to submit an annual report to the Council.

## **5.8 Committees and the Proper Conduct of Public Business**

The Council has established six key committees to play a central role in supporting the proper conduct of the Council's business. These are the Executive Committee, the Finance Committee, the Audit Committee, the Human Resources Committee, the Community Relations Committee and the Nominations Committee. The following summarises the main objectives of these key committees; a full list with terms of reference and membership is presented in [Appendix 3](#).

### **5.8 (a) *Executive Committee***

The Executive Committee exercises an overview of the work of the other standing committees of the Council and deals specifically with the conditions and terms of appointment of the President and the Deputy President. It can also act on behalf of Council when no Council meeting is imminent on matters which are urgent.

### **5.8 (b) *Finance Committee***

The Finance Committee concentrates on the annual budgeting cycle and is responsible for overseeing the preparation of the annual financial reports. It also handles the appointment of the fund managers and monitors the superannuation schemes of the University.

**5.8 (c) *Audit Committee***

Apart from overseeing financial audits, the purpose of the Audit Committee is to monitor the performance of the management of the University in providing value for money in its operation and carrying out executive decisions in line with the mission and strategic directions set by the Council.

Care is taken to ensure there is no overlap of the activities of the Audit Committee and the Finance Committee.

**5.8 (d) *Human Resources Committee***

The Committee is responsible for reviewing and recommending to Council matters relating to the staffing and manpower policies of the University. It is also responsible for approving the appointment procedures and staff disciplinary procedures of the University.

**5.8 (e) *Community Relations Committee***

The Committee is charged with considering all aspects of the interaction of the University with the community including “image building”, fund raising and external communications and development of social responsibility endeavours.

**5.8 (f) *Nominations Committee***

The Committee is responsible for making nominations for Council/Court membership to the Government through the Education Bureau.

**5.9 *Appointment of Council Members***

Vacancies for lay/independent members and co-opted members are made known and staff and students, as well as members of the Council, are invited to submit names to the Secretary to Council for transmission to the Nominations Committee. This ensures that a wide trawl for names is achieved. In making its report to the Council, the Nominations Committee must pay due regard to the balance of membership and the needs of the University. The question of the inclusion of appropriate members of the local community should also be addressed and recommendations on lay members should be approved by the lay members of Council.

## **5.10 Rotation of Members**

Continuity of membership, particularly of key members, is important to the University but so is the need for the periodic injection of new blood. The Ordinance prescribes that lay members are normally appointed for 3 years and their appointment can be renewed. The renewal of any appointment is not be automatic, but should be recommended by the Nominations Committee as part of its report on filling vacancies. In normal circumstances, continuous service beyond two terms of three years is not desirable (although exceptions may be permitted). After this point members normally retire so that the Council can appoint new people. There is no bar to a particularly valued member returning if a vacancy occurs in future years. Where a member is appointed Chairman of the Council or to some other statutory office such as Pro-Chancellor or Treasurer, he automatically begins a new term of membership linked to the office.

## **5.11 Principle of Openness and Transparency in the Operation of the Council**

In general the principle of openness applies to the operation of the Council and students and staff of the University have access to information about the proceedings of the Council. The Council Secretariat issues a summary report of Council meetings in the University newsletter. The agenda, draft minutes, if cleared by the Chairman, and the signed minutes of Council meetings, together with the papers considered at meetings, are made available for inspection in the University Library.

There may, however, be matters, covered in the rules and procedures, where it is necessary to observe confidentiality. Such matters are likely to concern individuals or have a 'commercial' sensitivity.

The University's annual report and financial statements are made widely available outside the University, and the Community Relations Committee of the Council and the Court seek ways by which the public, or the local community, can comment on matters to do with the University that concern them.

## **5.12 Review of the Effectiveness of the Council and the Institution**

The Council should review both its own effectiveness and the University's performance at regular intervals. The review of performance should take into account the views of the Senate, and should be reported upon appropriately within the University and outside.

*(Last updated on 27 March 2014)*

## 6. Financial Affairs and their Regulation

### 6.1 UGC Requirements

The primary funding for the University comes from the UGC in the form of a block grant, normally for a triennium. The UGC via its “Notes on Procedures” places a number of requirements on the University to ensure sound financial practices and control in relation to the UGC funds; the latter includes the tuition fees for students on UGC funded programmes.

In essence the UGC requires that the University has a sound system of internal financial management and control and that this ultimately is the responsibility of the Council which is also responsible for ensuring that the funds from the UGC are used in accordance with the terms of the “allocation letter” and the UGC “Notes on Procedures”.

### 6.2 Procurement

All procurements should be undertaken on the basis of full and open competition so that the University can be assured that it is securing the best that the market can provide at the most competitive price. The University has an agreed set of procurement and tendering procedures to ensure that this is the case. In particular, the Main Tender Board is a committee of the Finance Committee responsible for the procurement of items in excess of HK\$3 million.

As noted in section 5.5 above, it is essential that members of the Council guard against conflicts of interest. Particular areas of vulnerability are the invitation of tenders and the award of contracts. The University ensures that procedures are laid down for the issue, receipt, opening and consideration of tenders, and for the award of contracts. These procedures establish whether members of the Council or of the staff are to be involved at any particular stage or level; and make specific provision to exclude from the process anyone (whether a member of the Council or a member of



staff) who might have a declarable interest in it. The procedures have been approved by the Council, and are included in the University's internal manual of financial rules and procedures.

The Director of Finance who is responsible for procurement has access to the Register of Members' interests so that he is aware of any connections which members of the Council may have with potential suppliers.

Companies that do have a connection with a member of the Council are not automatically debarred from tendering for business from the University. The exclusion of such companies might deprive the University of a particularly valuable supplier, and could deter individuals with industrial or commercial interests from serving on the Council.

However, in such circumstances:

- the member concerned should consider carefully how their involvement is likely to be perceived by the wider community; if in any doubt, they should consult the Chairman; and
- if the procurement is discussed by the Council, the member concerned should make a formal statement of their involvement with the company (supplementing the declaration already contained in the Register of Members' Interests) and should withdraw from the meeting for that item. This should be recorded in the minutes.

Members of the Council should avoid becoming involved in procurement decisions on an informal basis (for example by providing ad hoc advice to an officer outside committee meetings). All contributions to the decision should be channelled formally through the committee system, so that they may be properly documented and open to wider scrutiny.

*(Last updated on 17 October 2013)*

## 7. Staffing Matters

All appointments to the University are made with the authority of the Council although, apart from the President and the Deputy President, appointments are delegated to the President. Appointments to any of the subsidiary companies established by the Council, are made to the company concerned.

The Ordinance charges the Council with approving the terms and conditions of service of any class of persons in the employment of the University and precludes the Council from delegating this responsibility. As stated in section 5.8 above, the appointment and disciplinary procedures are determined by the Human Resources Committee of the Council.

### 7.1 Staff Selection

Staff of the University are its most valuable asset and great care is taken in the selection of staff to ensure that those appointed are of the highest quality. The appointment and personnel procedures ensure that there are checks and balances in the system and that elected representatives of existing staff take part in the processes at all levels.

The University has implemented a performance review system which informs personnel decisions on promotions, re-appointments etc. and staff are aware of the criteria used for such decisions.

### 7.2 Suspension and Dismissal of Staff

The University Ordinance vests the discipline of staff and students with the President. However, the President has established a set of procedures through the Human Resources Committee to deal with disciplinary cases. In serious cases, possibly involving suspension or dismissal, these procedures include the establishment of an independent disciplinary committee and provide rights for the individual concerned to appear before the committee to challenge any accusations. The recommendations of the committee are presented to the President for action.

In the case of dismissal by reason of redundancy, the Council has approved a redundancy scheme including a set of procedures to be followed. The latter includes an appeal procedure for the individual concerned to challenge the redundancy decision.

### 7.3 “Whistleblowing”

This term has come into use recently in relation to public service. It refers to the need for staff and members serving the public body to bring attention to any major irregularity they believe may exist in the institution’s conduct.

From time to time, a situation may arise where a member of staff has serious concerns about perceived irregularities in the running of the University or the activities of colleagues within the University. Such concerns might relate to, for example, financial malpractice, the abrogation of appropriate procedures, or departures from statutory or other requirements for good governance.

The University has appropriate channels through which staff can make such allegations and these are included in the initiating section of the disciplinary procedures. The procedures make it clear that, provided the allegation is made lawfully, without malice and in the public interest, the position within the University of the individual making the allegation will not be jeopardised.

### 7.4 Equal Opportunities

The University has adopted a policy on equal opportunities which states that:

*“City University of Hong Kong is committed to the principle and practice of non-discrimination in the fulfilment of its dual responsibilities as an employer and a provider of higher education. It considers that talents, skills, intelligence, ambition and potential required by the University of its staff and students are spread across the community and can be found in people irrespective of their race and national origin, sex and gender identity, sexual orientation, abilities and disabilities, age, religion and family status.”*

*(Last updated on 17 October 2013)*

## **8. Students' Union**

Established by students in 1986, the Students' Union (SU) aims to foster a spirit of unity, independence and democracy among students as well as to promote and safeguard the rights and welfare of its members. On a wider base, it aims to improve relations between its members and the members of other tertiary institutions and the entire community.

All full-time bachelor's degree and associate degree students, based on the Kowloon Tong Campus, are eligible for full membership of the SU. Part-time and postgraduate students, staff and graduates may apply for associate membership.

The SU enjoys a high degree of autonomy in running its own affairs. Members have the right to stand for election as office-bearers, who are responsible for various aspects of student life. Members can exercise their power through General Meeting and General Polling.

The constitution of the SU has been approved by the Registrar of Societies. Changes to the constitution when approved will be submitted to the Council for information.

## Acknowledgements

This Guide is modelled on a similar non-copyright document issued jointly by the Committee of University Chairmen and the Higher Education Funding Council for England, both in the U.K., entitled *Guide for Members of Governing Bodies of Universities and Colleges in England, Wales and Northern Ireland* (Third Edition, 2001). The contents rely heavily on this text.

References have also been made to two other non-copyright documents: *The Proper Conduct of Public Business*, the eighth report of the U.K. House of Commons' Committee of Public Accounts (1994) and the *Trustee Responsibilities : A Guide for Governing Boards of Public Institutions* published by the Association of Governing Boards of Universities and Colleges, Washington, DC. USA.

The Code of Practice is prepared by:  
Council Secretariat  
City University of Hong Kong  
Tat Chee Avenue, Kowloon  
Hong Kong

Tel: (852) 3442 6658

Fax: (852) 2628 2659

Email: [cuc@cityu.edu.hk](mailto:cuc@cityu.edu.hk)

