

Board & Committee Governance Review

Purpose

1. This paper asks the Board to agree the scope and timeline for a planned review of governance arrangements within the Scottish Funding Council.

Strategic Framework Implications

2. Effective governance is critical to the decision making process and supports clear transparency on the effective and efficient execution of accountabilities, as defined in the Scottish Further & Higher Education Funding Council Framework Document and the SFC Strategic Framework.

Background

3. It is some time since we have considered our governance arrangements in the round and, as a result, we may have developed some inconsistencies in the way we do things, and we could benefit from improvements to support Board members. This review would enable the Board to take a step back to consider the design and operating effectiveness of governance arrangements for the Board and the Board-approved Committees.

Approach & Timelines

4. The review would assess the overall design of the Committee structure and responsibilities, as set out in the current Standing Orders and Terms of Reference (Remits), and the effectiveness of the Board and Committees in meeting the governance responsibilities of SFC, as a Non-Departmental Public Body. It would highlight any areas for further improvement, building from the recent self-evaluation conducted with the Board, and provide a useful basis for the independent evaluation which will be carried out in 2023.
5. The review would include a desk-based assessment of current documentation and gather insights from key stakeholders, including Board Members and Committee Chairs, during August 2022. It would base recommendations on the Scottish Government's good practice guidance for public bodies but would also explore good practice in other similar organisations and will take advice from Internal and External Auditors, where relevant.

6. I have recently been appointed as a new Assistant Director Risk, Governance and Compliance and would lead this work.
7. It is likely that the early stages of the review may identify some low-level operational matters, that would improve the efficiency of current governance arrangements and respond to comments made by Board members, such as clearer timelines for gathering in and disseminating papers or improving the format for presenting information, which could be implemented immediately.
8. This review aims to present an initial assessment and early recommendations at the September 2022 Board meeting, but, given this time of significant organisational change and that we will be working on this over a holiday period, we may have further work and recommendations to conclude for the December Board meeting. If approved, recommendations would be implemented in line with an agreed action plan.
9. We suggest that the following areas should be covered in the review, assessing the overall design and operating effectiveness.
 - Accountability: Is the accountability of the Board and the Board Committees clearly defined in documentation, understood and consistently applied, including escalation of material issues?
 - Delegation: Are responsibilities clearly delegated within the governance arrangements, documented and aligned with accountabilities and executed?
 - Documentation: Is all governance documentation current, reviewed in accordance with review dates, and approved by an appropriate authority?
 - Operating Effectiveness: Do Board and Committee meetings have access to the level of information expected to enable responsibilities to be discharged effectively?

Risk Assessment

10. The risks associated with poor or ineffective governance include significant financial and reputational impacts arising from failures to demonstrate the six principles of good governance: Leadership; Accountability; Integrity; Effectiveness; Transparency and Sustainability.

Equality and diversity assessment

11. The review will have no direct equality or diversity implications.

Financial implications

12. The review will have no direct financial implications.

Publication

13. This paper will be published on SFC's website.

Recommendations

14. The Board is asked to agree this review of governance.

Further information

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