Code of Good Governance for Colleges in Wales

Foreword

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Governors are the backbone of college accountability and are the faithful custodians of public funds. They work hard to ensure the best interest of our students and, through this Code, wish to further demonstrate that trust is well placed.

Wales' further education (FE) colleges are seen as strategic partners by the Welsh Government and other key partners including schools and businesses. Colleges have a central role in supporting the attainment of young people and adults, preparation for employment and further study, continued skills development and economic growth. Colleges play a major role in shaping democratic, sustainable, inclusive communities and promoting the Welsh language and its culture.

These well-defined purposes allow governors and trustees through constructive challenge and effective support to demonstrate the public benefit of our work. Compared with many countries in the world, colleges in Wales enjoy a higher degree of self-government. This independence in governance is a cornerstone of our system and lies at the heart of the sector's success. It will continue to be of the highest importance as colleges become increasingly innovative and entrepreneurial in meeting the education and skills needs of Wales and responding to key economic and social agendas.

Excellence in governance is now at the centre of the FE college sector in Wales. The need for appropriately trained governors who are able demonstrate exemplary practices will be even more important as the sector continues to commercialise and diversify.

By adopting and implementing this Code, governing bodies will publicly demonstrate their leadership and stewardship in relation to their own college, answer openly any criticism and, in doing so, protect their college's reputation and that of the wider sector and provide appropriate assurance to key stakeholders.

More importantly, adopting the new Code is an opportunity to rethink and refresh approaches as the sector strives to be at the forefront of best practice in governance. It signals a willingness to enter into a new era of governance with the energy and commitment to ensure the very highest standards for our stakeholders.

The Code contains:

❍ An initial statement of the core values and expectations that provide the context for the way in which college governance is conducted.

❍ The seven governance elements that support these values and are vital to successful implementation.

❍ A more detailed consideration of each element.

❍ A list of references and links to source documents and good practice examples.

The Code

The Code is written to support governance practice, which in turn will help colleges to work successfully towards meeting their mission and strategy. The Code needs to be read alongside each college's Instrument and Articles of Government and the relevant legal and regulatory requirements. The Code is based on a set of shared values and expectations. Governing bodies will work within the 'spirit' of the Code as well as its 'letter'. As a sector, our approach to governance is to be committed and pro-active.

This Code applies to General Further Education Colleges (GFECs), Sixth Form Colleges (SFCs) and Further Education Institutions (FEIs), although there will be variations in the manner in which these entities will implement the Code due to their differences in corporate form.

The term *'governing body'* has been used throughout to cover the corporation board or board of directors.

The term *'principal'* includes the role of 'accounting officer' under the financial memoranda of the Welsh Government. The post may also be known as the chief executive.

The term *'clerk'* has been used throughout and covers the role of governance officer.

The principal regulator is *'Welsh Ministers'*, through the Welsh Government's sponsoring department.

The Code sets out the elements and practices which any college in the sector will need to adopt in order to show that it is conducting its business in the best interest of its students, key stakeholders and funders. Adoption of the Code should not limit innovation in governance or stifle the dynamic nature of colleges.

The Code uses the usual 'must and should' convention for governance codes. A 'must' is an area of activity which is covered by statute and/or is the minimum expected by the principal regulator and funder. Activities which exceed these basic requirements and represent good or enhanced governance practice are noted as 'should'.

Acknowledging the multiplicity and responsible autonomy of the sector, governing bodies are free to achieve the expectations of the 'must' and 'should' statements in whatever manner they see fit. Where a governing body has adopted the Code, but for good reason does not comply with particular provisions within it, the governing body should explain its rationale and how its approach meets the spirit of the Code.

Each college should state its adoption of the Code in the corporate governance statement contained in its annual audited statements.

This Code itself will be reviewed regularly by ColegauCymru and its partners to ensure that it remains fit for purpose. This will normally take place every three years, or earlier if there is a substantial change of circumstance.

The Core Values of College Governance

High quality further education, which commands public confidence and promotes the reputation of individual colleges and the sector, must rest on a number of shared values. By implementing such values the governing body can: ensure quality education and training for its students; demonstrate public benefit; provide the basis for its own effectiveness; support college autonomy; support the sustainability of the service and enhance the reputation of the sector; and, by example, demonstrate dynamic leadership.

A failure to adopt and implement a set of agreed values has implications beyond the college concerned by potentially undermining the collective reputation of all colleges and the wider sector.

In setting out core values, the Code adopts and builds on the Seven (Nolan) Principles of Public Life which provide an ethical framework for the personal behaviour of governors. In addition, given the specific nature of further education, the Code also adopts the values and behaviours of being:

◖ Respectful
◖ Professional
◖ Prudent
◖ Committed and enthusiastic about good governance.

The Code is based on the following expectations of good governance, which illustrate the values and beliefs of college governors and trustees:

◖ Putting the learner first, promoting high expectations and ambitions for learners and staff
◖ Listening to learners, parents, employers and staff
◖ Promoting inspirational teaching and learning
◖ Creating a safe environment for learners to learn and develop
◖ Providing strong strategic leadership and challenge to the senior team
◖ Setting the strategy and acting as guardians of the college's mission
◖ Promoting Welsh language and culture
◖ Providing post-16 education and skills leadership to the community the college serves
◖ Demonstrating accountability to all stakeholders, including publishing accurate and timely information on performance
◖ Using revenue, capital and human resources in a prudent and cost effective manner for the benefit of learners
◖ Ensuring the achievement of equality of opportunity and diversity throughout the college
◖ Using the college's autonomy and independence responsibly to meet local education and skills needs.

The Seven Elements of Good Governance

In order to implement and embed the values and expectations in the college, the governors, trustees, and senior leaders will undertake to give effect to the following seven elements of good governance:

Element 1:
Strategy and Leadership

Formulate and agree the **mission, vision and strategy** including defining the ethos of the college.

Element 2:
Collectively Accountable

Be **collectively accountable** for the operation of the college, taking all decisions on all matters within their duties and responsibilities.

Element 3:
Financial Strategy and Audit

Adopt a **financial strategy and funding plans** which are compatible with the duty to ensure sustainability and solvency of the college and, in doing so, ensure that **effective control and due diligence** takes place in relation to all matters including acquisitions, subcontracting and partnership activity.

Element 4:
Teaching and Learning

Foster **exceptional teaching and learning by ensuring** there are **effective underpinning policies and systems** which foster and facilitate the **student voice**.

Element 5:
Responsiveness

Ensure that the college is **responsive to workforce trends** by adopting a range of strategies for engaging with employers and other stakeholders.

Element 6:
Equality and Diversity

Meet and aim to exceed its statutory responsibilities for equality and diversity.

Element 7:
Effective Governance

Ensure that there are organised and **clear governance and management structures** with well-understood delegations, including regularly **reviewing governance** performance and effectiveness.

Element 1: Strategy and Leadership

1.1　The governing body provides the overall strategic leadership for the college. The governing body must formulate and agree the mission, vision and strategy including defining the ethos of the college. The governing body should consider setting down its aspirations for the college in a vision statement.

1.2　The governing body must formally approve the strategic plan. This plan should cover all aspects of the college's work including partnerships and subsidiary companies. The governing body should ensure that the strategic plan is realistic and underpinned by a financial strategy.

1.3　The strategic plan should be based on an assessment of need. The plan should adequately reflect the interest and views of students, parents, employers and the community.

1.4　Governing body members should be able to explain the underpinning rationale and be familiar with the supporting evidence base and with the results of any horizon scanning exercises.

1.5　The governing body should ensure that managers have established an operating plan that identifies those aspects of the strategic plan being implemented in any particular year.

1.6　In order to ensure successful implementation, the governing body must be clear how performance of the strategy will be measured. It should identify and adopt a set of key performance indicators (KPIs) that cover financial health, teaching and learning and student experience and outcomes, staff performance and stakeholder opinions. In doing so the governing body should make clear the division of responsibilities between strategic governance and leadership by the governing body and the operational management and leadership by the college's senior management team led by the principal.

1.7　Governing body members should monitor and scrutinise the college's activities effectively, including using external benchmarks, challenge shortfalls in performance, and ensure that weaknesses are addressed.

1.8　The mission and strategy should be published, and if necessary refreshed annually, and reviewed at least every three years through a process that involves key stakeholders.

1.9　The governing body may wish to go further and amplify the mission along the lines of a 'public benefit statement', describing how the college aims to add value to the social, economic and physical well-being of the communities it serves.

Policies

1.10 To secure implementation of the agreed strategy, the governing body must ensure there are effective underpinning policies and systems in place.

1.11 The governing body must endorse a set of appropriate policies that describe how the strategy is being implemented. Examples of what may be covered include: access, recruitment, teaching and learning, assessment and validation, use of technology, student voice, involvement and engagement, reward and recognition for students, careers advice and progression, quality and standards, and enrichment and citizenship.

1.12 The governing body, through constructive challenge and effective support, should monitor policy implementation.

1.13 The governing body must be assured that there are management-led policies and systems in place to provide the best learning experience for every student, including those undertaking learning activity off-site or provided under a subsidiary or partnership arrangement.

1.14 The governing body must ensure they have in place a scheme to actively promote the principle that the Welsh language will be treated no less favourably than the English language when dealing with the public in Wales. The public includes college staff and current students along with prospective students and the public in general in Wales.

Student Voice

1.15 The governing body must have close regard to the voice of its students and the quality of the student experience, which should be central to all governing body decisions.

1.16 Students should be actively engaged in the college and effective ways should be found to ensure that the student voice is heard through both college and student led processes. The governing body should receive regular reports on how students are being engaged and what impact their voice is having on college life.

1.17 The governing body must provide a safe environment and have a robust and regularly assessed and monitored safeguarding policy. This policy may, for example, also include the duties arising from the Counter-Terrorism and Security Act 2015 (or this could be covered in a separate policy).

1.18 There must be clear and published complaints and whistleblowing procedures. The governing body should receive regular reports (at least annually) on the number and types of complaint and how complaints are resolved.

Element 2: Collectively Accountable

2.1   The governing body must be collectively accountable for the operation of the college, taking all decisions on all matters within its duties and responsibilities.

2.2   Members of the governing body must comply with the legislation relevant to their legal form of incorporation. Governing body members are charity trustees and must comply with charity legislation and case law.

2.3   The governing body must set out its primary responsibilities in the Articles of Government (or similar legal document) and its rules of governance within the Instrument. These should be published and be known to all governors. These responsibilities should be supported by a schedule of delegation which sets out how each responsibility is to be met and by whom, including those items which the governing body delegates to the principal.

2.4   The governing body must seek assurance that it meets all legal and regulatory requirements imposed on it as a corporate body, and college compliance should be kept under regular review.

2.5   The governing body should conduct its affairs as openly and transparently as possible, consulting fully on its plans and delivery. The general principles and requirements of the Freedom of Information Act must apply, so that staff and learners have access to information about the governing body's proceedings.

2.6   Public reporting is important and contributes to confidence in the sector. An annual members' report and audited financial statements should be made widely available both internally and externally.

2.7   The annual governors' report should be published and include a section that sets out the governance arrangements - including the extent to which this Code has been adopted - and the policies on public disclosure.

2.8   The governing body should ensure that learners and the public are given honest, accurate and timely information about all aspects of provision and that the governing body has the necessary information to be able to challenge.

2.9   Governing body members are required to fulfil their duties in line with accepted standards in public life. Governing body members must avoid conflicts of interest and act solely in the interests of the college at all times. Governors, whose views are not consistent with the decisions of the governing body as a whole, must abide by the principle of collective decision making and stand by the decisions of the governing body.

Element 3: Financial Strategy and Audit

Financial Strategy

3.1   The governing body must adopt a financial strategy and plan which is compatible with the duty to ensure sustainability and solvency of the college and, in doing so, ensure that effective control and due diligence takes place in relation to all matters including acquisitions, subcontracting and commercial activity. The governing body must set and approve the annual budget. Responsibility for its approval must be reserved for the collective decision of the governing body, without delegation.

3.2   The governing body must adopt effective systems of control and risk management that promote value for money, efficient use of the capital estate and technology, meet mandatory audit requirements, and produce accurate and quality-assured college data.

3.3   The governing body must ensure compliance with the financial memoranda and must understand and meet the conditions of funding, as set by the funders.

3.4   The governing body must inform the sponsoring division of the Welsh Government of any "materially adverse" change in the college's circumstances.

3.5   Colleges must have financial regulations and appropriately documented delegations and procedures, approved by the governing body, which specify its financial responsibilities and authority and those of its committees and its staff.

3.6   The governing body should ensure that it has confidence in the arrangements for the provision of accurate and timely financial information and, therefore, also in the financial systems used to generate such information.

3.7   Day-to-day financial control should be exercised by the staff of the college under delegation from the governing body and principal. Responsibility for financial management and advising on financial matters is generally delegated through the principal to a senior member of staff such as a director of finance (or equivalent).

Audit

3.8   The governing body must ensure that a statement on internal controls explaining the risk management arrangements that are in operation is contained in the corporate governance section of the audited financial statements.

3.9   The governing body must comply with the funders mandatory requirements relating to audit including adherence to the relevant audit guide which sets out the minimum requirements. This may differ for FE institutions and it is important that a FE institution's board is clear on its responsibilities and delegated functions. The governing body should approve an annual audit plan linked to the college's risk register and be confident in the expertise and quality of any internal auditors engaged by the college. The governing body should consider using different sets of expertise for different audit requirements.

3.10   The audit committee must support the governing body and the principal by reviewing the comprehensiveness, reliability and integrity of assurances including the college's governance, risk management and internal control framework and produce an annual audit report for the governing body.

3.11   The governing body must ensure effective arrangements are in place for the management and quality assurance of data. This assurance should include a statement on data quality from the audit committee. The governing body should use the college's annual report to account to all stakeholders for the performance and prospects of the college as well as to demonstrate compliance with statutory and regulatory requirements.

New Ventures

3.12   Colleges are dynamic and progressive. They grow, innovate and adapt to the changing circumstances. This responsiveness should be encouraged as collaborative and commercial relationships will be central to ensuring the college's financial sustainability. The governing body should facilitate and enable this activity.

3.13   In establishing new business, the governing body must ensure effective governance arrangements are put in place with appropriate control, reporting and delegation systems. The governing body should ensure that particular scrutiny is exercised on new and external activities with significant potential financial or reputational risks. Where such activities involve commercial transactions, care must be taken to ensure that arrangements conform to the requirements of charity law and regulation.

3.14   New ventures (such as acquiring new companies or creating colleges in other countries) present colleges with both opportunities and significant challenges and risks. The governing body must ensure that not only does it approve such strategic developments, but also that the executive produces regular reports on the performance of all strategic partnerships and external businesses.

3.15   For all subsidiary entities (for example, separate operating companies or charitable trusts), the governing body should:

- Ensure that the entity's governing body possesses the attributes necessary to provide proper stewardship and control
- Appoint suitably qualified directors or trustees to the entity who are not members of the governing body or staff/learners of the college and
- Ensure that the entity's governing body conducts business in accordance with a recognised and appropriate code of governance.

Group Structures

3.16   Where the governing body governs through a group structure, the governing body should be clear about its responsibilities in relation to any other corporate governance arrangements and associated reporting, and should document and publish these relationships.

Element 4: Teaching and Learning

4.1   The governing body must foster exceptional teaching and learning. The governing body must, where appropriate, seek to secure coherent provision for learners that leads to further learning or apprenticeships and/or employment. The governing body must ensure appropriate mechanisms are in place for effective oversight of the quality and inclusivity of the learning experience.

4.2   The governing body should ensure the college's self-assessment report is benchmarked against UK norms and best practice. The report should be detailed enough to provide governors with the assurance they need that the learning experience is being monitored and the appropriate learning resources have been made available.

4.3   The governing body should look to the senior leadership team to provide external validation of any internal teaching and assessment observation reports and, where weaknesses are found, make sure the executive quickly takes action.

4.4   The governing body should be alert to college issues and use various methods to meet with learners, for example, through the students' union. The governing body should also have in place ways to meet staff, parents and employers, such as learning walks and having link governors.

4.5   In agreeing the human resource/workforce strategy, the governing body should ensure it reflects the ethos of the college and aids excellence in quality, teaching, learning and assessment.

4.6   The governing body should be aware of new initiatives in teaching and learning, for example, blended and/or virtual learning and, through careful appraisal, consider their adoption. The governing body must be aware of the expectations of external bodies, in particular their expectations of good quality. Governing body members should be able to explain how they benchmark quality and learner achievement.

4.7   The governing body should see the results of learner surveys including destination data and be able to monitor improvement plans.

4.8   To ensure a quality learning experience, the governing body should use best practice when overseeing the recruitment, development and performance of teaching and support staff. Appropriate teaching, learning and success performance indicators which are in line with the college's overall key performance indicators (KPIs) should be developed in order to monitor quality and progression.

Element 5: Responsiveness

5.1   The governing body must ensure that the college is responsive to the community and relevant employment trends, including building strong two-way relationships with employer-led local groups. In order to facilitate learner progression to further study or employment, the governing body should ensure that the college has in place a range of strategies for engaging with employers, universities and other stakeholders.

5.2   The governing body should ensure that the college is well informed about the various local, national and business stakeholders it serves, including having a dialogue with the colleges and universities that are engaged in partnership and progression.

5.3   The college should have systems in place which facilitate engagement with external stakeholders regularly, proactively and effectively so that it can identify and prioritise their present and future needs for education and training and discuss how they can best be met. These relationships need to be two-way.

5.4   Stakeholders comprise all those organisations, individuals and groups of individuals that the governing body intends should benefit from the college's services. These stakeholders might include: prospective learners, schools, colleges and universities, parents, local and regional authorities, employers of all sizes and their representative bodies, and other public service agencies such as Jobcentre Plus, and health care, police and prison services.

5.5   The main purpose of these discussions should be to ensure that the college's programme is relevant and seen to be responsive to local needs and the needs of the learners whose next step will be further progression into college, university, work-based apprenticeships and/or employment. The governing body should also consider community and commercial use of the college's assets and facilities.

5.6   The governing body should publish on the college website (at least annually) an account of the college's engagement with the main communities that it serves, the progress made towards meeting their needs for education and training, and how it aims to meet future needs.

5.7   The governing body should ensure that arrangements are in place to assess the extent to which the stakeholders served by the college are satisfied with the services provided. Each college should discuss with stakeholder and community representatives the coverage and timing of any reports, and should offer them opportunities to discuss its reports more fully.

Element 6: Equality and Diversity

6.1   The governing body must meet – and should aim to exceed – its statutory responsibilities for equality and diversity through its own actions and behaviour in all aspects of its affairs. The governing body must promote equality and diversity throughout the other 6 elements.

6.2   The governing body should approve and review the college's equality and diversity strategy and adopt agreed performance indicators for implementation.

6.3   The governing body has a number of legal obligations in relation to equality and diversity which it must understand and comply. These go much further than avoiding discrimination: they require the active promotion of equality in a number of defined areas. The governing body must therefore ensure that agreed policies are progressed and actioned throughout the college. The governing body may also wish to consider advice issued by government departments and other agencies on equality, diversity and safeguarding.

6.4   The governing body should ensure that the HR strategy takes into account equality and diversity. Specific equality and diversity responsibilities fall on the remuneration committee (or equivalent) in respect of the determination of pay and other rewards. This committee's report to the governing body should explain how its decisions take account of the college's equality and diversity policy.

6.5   The governing body and, where it exists, the search committee (or equivalent), should agree its own approach to equality and diversity in relation to appointing new members, and should take full regard of the implications of the college's overall equal opportunity and diversity policy, including any measurable objectives that may be relevant.

6.6   It is important that the governing body reports fully on its actions on equality and diversity in the operation of governance. The annual report should include a description of its policy, including any measurable objectives, and should outline progress on implementation. For those colleges that produce a separate equality and diversity report that addresses such matters, a simple cross reference would be sufficient.

Element 7: Effective Governance

7.1 The principles of effective governance are the same for all governing boards. Because of the different legal structures, this section applies specifically to GFECs. However, the concept behind each statement should also be considered and adapted by FE institutions' boards. The governing body must ensure that there are organised and clear governance and management structures with well-understood delegations, including regular review of governance performance and effectiveness.

7.2 The governing body and its committees should be of an appropriate size and have the appropriate balance of skills, experience and knowledge to enable them to discharge their duties and responsibilities effectively.

7.3 For GFECs the principal should be a governor but, subject to the articles of government, may elect not to serve. The governing body must include student and staff governors and appoint a clerk. The clerk should be independent, report directly to the governing body, and have the appropriate skills and experience to facilitate effective governance.

7.4 The full governing body should meet as often as is required to undertake its responsibilities. The governing body should have rules for the conduct of its meetings. Members should attend all meetings where possible, and the governing body must establish the number and category of members constituting a quorum.

7.5 There should be a presumption of openness and engagement, with all matters open to discussion by the whole governing body. Occasionally there will be matters where specific governors should not be party to discussions; these should be dealt with either by 'conflict of interest' declarations, or by enforcing agreed policy on the confidentiality of business.

7.6 The governing body may delegate some of its activities to committees and/or the chair, but should agree a formal schedule of matters reserved for collective decision.

7.7 At a minimum this should include final decisions on:

◖ Vision, mission and strategy
◖ The review and approval of the college's annual revenue and capital budgets and cash forecasts together with its audited financial statements
◖ The appointment and (if necessary) dismissal of the principal, senior post holders or the clerk.

7.8 The governing body should determine in writing the terms of reference, membership and delegated authority of all committees, approved on an annual basis with clear arrangements for their reporting back.

Remuneration of Senior Post Holders

7.9 The governing body must determine the pay and conditions of service of the principal, other senior post holders and the clerk and may establish a remuneration committee to advise the governing body. Remuneration decisions should be informed by benchmarking data and by recent performance appraisals.

7.10 Where severance payments are under consideration, advice should be taken from the external auditor to ascertain the legitimacy of any proposed payment. The reports on matters to do with remuneration and severance should provide sufficient detail to enable the full governing body to satisfy itself that the recommendations and resulting decisions made are compliant with its policies and relevant legislation. In line with the funding agreement, the governing body must draw any payments to the attention of the college's regulatory auditors.

The Chair

7.11 The governing body must appoint a chair from amongst its members (excluding the principal, staff and student members). One or more vice-chair or deputy chair should be appointed to act in the absence of the chair. The process by which the chair is nominated and elected should be agreed by the governing body as a formal part of the college's governance procedures and s/he should have a role description agreed by the governing body.

7.12 The chair is responsible for the leadership of the governing body and ultimately responsible to the stakeholders for its effectiveness. The chair should take particular care that the governing body observes the values of college governance, as set out in this Code.

7.13 The chair is a non-executive role and should not be drawn into day-to-day management. S/he should promote the effective and efficient operation of the governing body, ensuring that members work together effectively.

7.14 The chair should foster a supportive and constructively challenging working relationship particularly between the chair, the vice-chair, the principal and the clerk but also involving other members of the governing body and the senior leadership team.

7.15 The chair should ensure that there is effective communication between the governing body and all its stakeholders, both internal and external.

7.16 The chair is responsible for providing support to the principal and the clerk as required, and for leading the regular assessment of their performance, drawing on the views of other governors.

Governing Body Members

7.17 Governing body members should be committed, contribute proactively to meetings, and seen to be advocates of the college. They should bring their knowledge and expertise to the table and be there to support and challenge the executive by ensuring the learner interest is always put first.

7.18 All members should be able to allocate sufficient time to undertake their duties effectively. The governing body should agree an indication of the time expected of its members together with an appropriate role description.

7.19 Members must act in the best interest of the college, rather than selectively or in the interests of a particular constituency. Members must act with honesty, frankness and objectivity, taking decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

7.20 The governing body should set out in writing and regularly review agreed governance procedures, often described as Standing Orders. These should include levels of delegated authority and of any sub-delegations annually.

The Principal

7.21 The principal must be responsible for the executive management of the college and its day-to-day direction. S/he should understand and respect the role of the governing body and ensure that appropriate matters are bought to the governing body, taking advice from the clerk and senior leadership team as necessary. The specific responsibilities of the principal in relation to governing body business must include:

- Ensuring that governing body decisions are implemented through the college's management structure
- Advising the governing body as required
- Undertaking the role of accounting officer.

7.22 The principal is also responsible for prompt and coherent management reports to governors on the college's activities and prospects, including the emergence of major new risks and opportunities; and for facilitating appropriate opportunities for governing body members to see first-hand the work of the college and meet with learners and staff.

The Clerk/Governance Officer

7.23 A GFEC governing body must appoint a person to act as the clerk/governance officer to the governing body. In dealing with governing body business, the clerk should be solely responsible to the governing body and have a direct reporting line to its chair. The governing body must protect the clerk's ability to carry out his/her responsibilities, including appropriate training and development and ensuring adequate time and resources are available for the role to be undertaken effectively.

7.24 The clerk must inform the governing body if s/he believes that any proposed action would exceed its powers or involve regulatory risk or (where the clerk has other management responsibilities at the college) if there is a potential conflict of interest between his/her clerking and management roles.

Governing Body Member Appointments: Term of Office, Induction and Training

7.25 The governing body should adopt a formal and open policy for recruiting governors. This policy should include:

- A regular review of the existing governing body to ensure that it has the appropriate diversity of skills, experience, and backgrounds to provide strong governance, and to identify any need for new governors with particular skills
- The process for searching for new governors and for selecting applicants
- The process for nominating and appointing staff and student governors.

7.26 The governing body may set up a search committee that could undertake a variety of functions on behalf of the governing body. This could include reviewing governing body membership and succession planning, operating the recruitment procedure, undertaking an assessment of governing body performance, governing body members' development, and dealing with employment or contractual issues for the clerk, including recommending his/her appointment.

7.27 The process and criteria by which a chair is appointed should be agreed by the whole governing body. The process should be undertaken by the search committee or a group established for the purpose. The governing body must also confirm the appointment where it has been carried out by a sub-group or committee.

7.28 The search committee (or other committee set up for this purpose) should produce an annual report which describes the work of the committee, including the governing body's recruitment policy and practices, a description of its policy on equality and diversity and any measurable objectives that it has set together with progress in their implementation. If there is not a separate report then the college's annual report should cover these areas.

7.29 The governing body should satisfy itself that plans are in place for an orderly succession of its membership, so as to maintain an appropriate balance of skills and experience with the progressive refreshing of key roles. Where the governing body has the power to co-opt committee members in an advisory role, similar consideration should be given.

7.30 The governing body must have the power to remove any of its members from office and should consider doing so if a member breaches the terms of his/her appointment.

Term of Office

7.31 All members, excluding the principal, should be appointed for a given term, which should be renewable subject to satisfactory performance. Renewal should not be automatic and should only take place after proper consideration of the governor's attendance, contribution to the work of the college and assessment against the skills audit. Governors should not normally serve for more than two terms (or a maximum of eight years) except where subsequently undertaking a new and more senior role, for example, as chair. There are variations in the length of term for which chairs are appointed - whether it is annually or after a four year term, reappointment should only take place after consideration is given to college need and performance.

Governing Body Member Remuneration

7.32 The governing body should adopt policies and procedures for reimbursing the travel and other incidental expenses of members. The governing body must seek Charity Commission approval if they wish to remunerate external members for being a trustee/governor.

Training and Induction

7.33   The chair and clerk should ensure that new governing body members receive a full induction on joining the governing body, and should regularly refresh their skills and knowledge through development activities and briefings funded by the college.

7.34   All governing body members should ensure that individually and collectively they have or acquire sufficient understanding of the work of the college and the educational landscape to be able to engage fully in the affairs of the governing body. The clerk should keep records of the development activity of all governing body members.

Governance Review

7.35   The governing body must regularly review its effectiveness ensuring continuous improvement, thereby not only enhancing its own performance but providing an example to the college. The review should include an assessment of performance against the values and principal responsibilities set out in this Code.

7.36   The governing body should define in writing and regularly review the respective responsibilities of the chair, principal, clerk and individual governors.

7.37   The governing body should annually reflect on the extent to which its committees have met their terms of reference and remain fit for purpose.

7.38   In reviewing its effectiveness, the governing body should reflect on the success of the college as a whole in meeting strategic objectives and associated performance measures and the contribution the governing body has made to that success. The governing body should, where possible, benchmark its performance and processes against other comparable colleges and relevant institutions outside the FE sector and establish a simple set of measures which are then used to monitor performance.

7.39   Account should be taken of the views of the executive and relevant bodies and of staff, parents, trustees, employers and learner communities. Any review should include an external perspective, for example, by using a suitable external facilitator or a suitably experienced governor and/or clerk from another college. The timing should be in line with the production of the college annual self–assessment.

7.40   Acting on the outcomes of effectiveness reviews is as important as undertaking them. The outcomes and associated actions should be published widely, including in the annual report.

Definitions, references and links to source material

Definitions	1	The 14 colleges include 10 FE corporations including St David's Catholic College; the FE institution – WEA YMCA Community College Cymru; and The College Merthyr Tydfil, Coleg Sir Gâr and Coleg Ceredigion which are part of university groupings.
	2	The terms 'FE college' and 'college' are used to cover FE colleges and FE institutions.
	3	The term 'FE corporation' is a legal term describing the governing body of an incorporated FE college.
	4	The common term for 'members of a corporation' is 'governor'. The word 'governor' is used in this document.
	5	Principal Regulator: http://gov.wales/topics/educationandskills/learningproviders/further-education/principal-regulator/?lang=en

The Code	1	2014 FHE Act notes regarding minimum requirements for revised I&A's including the official status of the Welsh language in Wales, given effect in accordance with the Welsh Language (Wales) Measure 2011 http://www.legislation.gov.uk/anaw/2014/1/pdfs/anaw_20140001_en.pdf
	2	Nolan principles: Seven Principles of Public life: Selflessness Integrity Leadership Openness Honesty Objectivity Accountability
	3	UK Corporate Code: which sets what is expected of Governors and Trustees: https://www.frc.org.uk/corporate/ukcgcode.cfm
	4	Code Voluntary Sector: http://www.governancecode.org/summary-code-of-governance

1 Strategy and Leadership	1	Policy on Education and Skills http://gov.wales/topics/educationandskills/skillsandtraining/?skip=1&lang=en Statistics: Further education, work-based learning and community learning http://gov.wales/statistics-and-research/further-education-work-based-learning-community-learning/?lang=en
	2	Wise Wales
	3	Further Education, Work-Based Learning and Community Learning in Wales 2013/14 SDR
	4	The Minister for Education and Skills publish his/her annual Priorities Letter for FE. http://gov.wales/docs/dcells/publications/140530-priorities-for-further-education-sector-2015-2016-en.pdf

2 Collectively Accountable	1	2014 FHE Act notes regarding minimum requirements for revised I&A's: http://www.legislation.gov.uk/anaw/2014/1/pdfs/anaw_20140001_en.pdf Data Protection Act 2000
	2	Estyn: Dealing with student complaints http://www.estyn.gov.uk/english/news/news/more-consistency-needed-in-managing-learner-complaints-in-further-education-institutions/
	3	English Guide for school and academy governors http://www.nga.org.uk/getattachment/Guidance/Legislation,policies-and-procedures/Government-advice-and-guidance/Governors-Guide-to-the-Law/Governors_Handbook-January-2015.pdf.aspx
	4	Counter Terrorism and Security Act 2015 http://services.parliament.uk/bills/2014-15/counterterrorismandsecurity.html Prevent guidance https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/388934/45584_Prevent_duty_guidance-a_consultation_Web_Accessible.pdf 'Promoting British Values'. https://www.gov.uk/government/news/consultation-on-promoting-british-values-in-school
3 Teaching and learning	1	Inspection http://www.estyn.gov.uk/english/inspection/inspection-reports/ DfES – Policy for Education and Skills http://gov.wales/topics/educationandskills/skillsandtraining/?lang=en Quality Assurance Agency for Higher Education http://www.qaa.ac.uk/en
4 Responsive	1	Estyn: Learners benefit from shaping their education http://www.estyn.gov.wales/news/learners-benefit-shaping-their-education
	2	Horizon Scanning – UK Commission for Employment & Skills (UKCES)
	3	Colleges in their Community http://shop.niace.org.uk/colleges-in-their-communities.html
	4	It's about work... Excellent adult vocational teaching and learning http://cavtl.excellencegateway.org.uk/commission-news/its-about-work

5 Financial strategy and Audit	1	Further Education Audit Code of Practice 15 March 2015 http://gov.wales/topics/educationandskills/publications/guidance/further-education-audit-code-of-practice/?lang=en
	2	Financial Memorandum, DfES, Welsh Government http://gov.wales/docs/dcells/publications/150306-financial-memorandum-en.
	3	Acquisitions https://www.gov.uk/government/publications/governance-in-multi-academy-trusts
	4	Subcontracting – SFA Advice https://www.gov.uk/government/collections/sfa-subcontracting-using-funding-to-offer-education-and-training
	5	Mides, AoC benchmarking https://www.aoc.co.uk/governors%E2%80%99-use-data-and-the-mides-online-benchmarking-tool
	6	Ofsted Data Dashboards http://dashboard.ofsted.gov.uk/
	7	DfE Financial Dashboards
6 Equality and diversity	1	Equality and Human Rights Commission http://www.equalityhumanrights.com/legal-and-policy/legislation/equality-act-2010/equality-act-codes-practice-and-technical-guidance
	2	Women's Leadership Network http://www.wlnfe.org/
	3	Network of Black and Asian Professionals http://www.nbp.org.uk/
	4	Violence Against Women, Domestic Abuse and Sexual Violence (Wales) Act 2015 http://www.legislation.gov.uk/anaw/2015/3/contents/enacted
7 Effective governance	1	The FHE Bill 2013 http://www.senedd.assemblywales.org/documents/s500001701/Bill%20as%20passed.pdf
	2	The nature of FE governance has been has been subject to two government-led enquiries: The Review of Governance Arrangements of FE Institutions in Wales by John Griffiths AM published in 2010.5 http://dera.ioe.ac.uk/3726/1/110526stakeholdreviewen.pdf The Humphreys Review published in June 2011 http://gov.wales/topics/educationandskills/publications/wagreviews/fegovreview/?lang=en

3   Further and Higher Education (Governance and Information) (Wales) Act 2014
    http://www.senedd.assembly.wales/mgIssueHistoryHome.aspx?IId=6429

4   Board Reviews
    https://www.aoc.co.uk/sites/default/files/Board%20self%20evaluation.pdf

5   Remuneration of Governors: Charities Commission Advice
    https://www.gov.uk/guidance/payments-to-charity-trustees-what-the-rules-are

6   Research and Development: Education Training Foundation
    http://www.et-foundation.co.uk/

7   All matters to do with Governance AoC: College Governance:
    http://www.aoc.co.uk/term/governance