

# HONG KONG BAPTIST UNIVERSITY

## Scheme of delegation of authority

### **Background**

1. The University Grants Committee (UGC) embarked on a study on the governance of UGC-funded institutions in December 2013, which aimed at identifying international good practices in the governance of higher education institutions. The “Governance in UGC-funded Higher Education Institutions in Hong Kong” report (the Newby Report) was released on 30 March 2016, after the endorsement by the Education Bureau of its overall direction and recommendations. Six recommendations have been formulated in the Newby Report to enhance the standards of institutional governance and provide useful guidance for the institutions to reflect on and improve their current practices, as well as to strengthen the effectiveness and transparency of their councils.

2. As stated in the Newby Report, good corporate governance may be viewed as the processes and structures which will facilitate decision-making and appropriate delegation of accountability and responsibility within and outside an organisation. It is also understood that in practice many of the activities of the governing body are delegated to committees. The composition and duties of these committees need to be clearly set out under a scheme of delegation. One of the recommendations of the Newby Report is as follows:

*Each council should publish a scheme of delegation which sets out the sub-structure of its committees and includes the mechanism whereby council is satisfied that the related managerial oversight of university activities is being effectively handled, including appropriate delegation and reporting mechanisms.*

### **Governance of the University**

3. The Council, the Court and the Senate are the governing bodies established in accordance with the *Hong Kong Baptist University Ordinance* (the *Ordinance*). The Council is the executive body which has overall control over the management of the University. The Court is the supreme advisory body which gives advice on the development of the University. The Senate is the supreme academic body responsible for regulating and directing academic matters and deciding on matters affecting the welfare of students. The scheme of delegation will focus on the delegation by the Council of its authority for the management of the University.

## **Delegation of authority by the Council**

4. As the executive body of the University, the Council may exercise the powers conferred on it for performing the duties imposed on the University by the *Ordinance*. The Council shall have the power to appoint a President and Vice-Chancellor (P/VC), who is the principal academic and administrative officer of the University. The *Ordinance* also sets out the powers that the Council and the P/VC may delegate.

5. According to the *Ordinance*, the Council may create and appoint such committees for any purposes as it thinks fit, and such committees may consist partly of persons who are not members of the Council. The Council may delegate any of its powers and duties to its committees so appointed except the following powers:

- (a) to approve the terms and conditions of service of persons in the employment of the University;
- (b) to authorise the preparation of the statements of income and expenditure and of the assets and liabilities of the University after the end of each financial year; and
- (c) to make statutes for the better carrying out of the provisions of the *Ordinance*.

6. Notwithstanding par. 5, it has been the established practice that the Council does not delegate authority to approve the overall strategic plans of the University or enter into transactions which have major financial implications.

7. According to the *Ordinance*, the Council may delegate to the P/VC any of its powers and duties except the powers mentioned in pars. 5(a) to 5(c). The P/VC may also delegate to such person or committee of persons as he thinks fit his powers and duties, including any power or duty of the Council delegated to him.

8. The Council has appointed the following committees/board:

- (a) Audit Committee;
- (b) Campus Development and Facilities Management Committee;
- (c) Finance Committee (FC)
  - (i) Strategic Development Fund Allocation Sub-committee; and
  - (ii) Investment Sub-committee;
- (d) Honorary Degrees Committee;
- (e) Honorary University Fellowship Committee;
- (f) Personnel Committee;
- (g) Standing Committee; and
- (h) Superannuation Fund Supervisory Board.

9. For proper monitoring of the University, the Council receives regular reports from the committees/board under it and also the University Administration.

10. Details on the reporting mechanism and key functions of the above committees/board are shown in **Annex 1**. The list of major items of authority delegated by (a) the Council to the respective committees/board and/or to the University Administration; (b) the committees/board to the sub-committees and/or the University Administration; and (c) by the University Administration is kept at the General Administration Office (GAO) of the University. Relevant staff members may request access to this list or any part thereof from GAO.

### **Delegation of authority by the University Administration**

11. The P/VC, as the head of the University Administration, has the overall responsibility for the strategic direction, management and oversight of the University. The P/VC may delegate his powers and duties to such person or committee of persons as he thinks fit. The Senior Executive Committee (SECO) is one of the major committees and boards of the University Administration, which gives recommendations and advice to the P/VC on the management of the University.

12. The SECO is responsible for formulating and overseeing the strategic and long-term plans for the development of the University and, subject to the approval of the Council, implementing the approved strategic plans through the distribution of resources to various Faculties, Schools, the Academy, administrative departments and other units (the budget centres).

13. The SECO will, via the FC, submit to the Council for approval an annual budget for the income and expenditure of the University covering (a) the recurrent fund; (b) the School of Continuing Education; (c) the Chaplain's Office; and (d) the student residences. Budget allocations will then be made to the budget centres, the budget controllers of which will assume the delegated authority to manage the allocated budgets, including proper utilisation and control of the expense budgets, commitment to and authorisation of execution of contracts and, as appropriate, management of the revenues of the budget centres.

14. The P/VC reports to the Council on a regular basis, including a report at each Council meeting; an annual financial report with the consolidated financial statements of the University via the FC; and an annual report on the operation of the subsidiary companies of the University.

### **Effectiveness of delegation of authority**

15. The University has established a scheme of delegation covering the Council, the committees/board under the Council, sub-committees and the University Administration.

Within the University Administration, there is a clear system of delegation of authority to staff members in various positions. This mechanism has been operating effectively.

### **Publicity of the scheme of delegation of authority**

16. This is an abridged version of the scheme of delegation of authority developed for the public to understand better the governance and management of the University, the scheme of delegation of authority and the key reporting mechanisms.

### **Review of delegation of authority**

17. The University will review the scheme of delegation of authority regularly and publicise any updates from time to time.

23 February 2017

## List of Council committees and sub-committees/board

Committee/ sub-committee/board	Reporting mechanism	Major functions
Audit Committee	Annual report to the Council at the second Council meeting of every academic year.	To provide independent assurance to the Council on the effectiveness of the risk management and internal control systems of the University, including recommendations for improvement where appropriate.
Campus Development and Facilities Management Committee	Report to the Council at each Council meeting.	(a) To monitor, at the macro level, the expenditure and progress of capital projects; and (b) To appoint consultants for capital projects and alterations, additions, repairs and improvements projects.
Finance Committee (FC)	Report to the Council at each Council meeting.	(a) To advise and make recommendations to the Council on the management and regulation of the financial resources of the University; and (b) To approve appropriations of funds of up to \$10 million each.
Strategic Development Fund Allocation Sub-committee under the FC	Annual report to the Council via the FC on appropriations from the Strategic Development Fund (SDF) in a financial year.	(a) To review and approve proposals for the appropriation of SDF funds of not more than \$5 million; and (b) To seek approval from the FC for appropriations of SDF funds of over \$5 million but not more than \$10 million each, and from the Council for appropriations of over \$10 million each.
Investment Sub-committee under the FC	Report to the FC and the Standing Committee after each meeting for information or approval, if necessary. For major events, separate reports to the Council may be made.	To provide advice and recommendations for addressing triggering events (e.g. major market incidents or surges in volatility) and strategic investment issues relating to the long-term funds of the University.

<b>Committee/ sub-committee/board</b>	<b>Reporting mechanism</b>	<b>Major functions</b>
Honorary Degrees Committee	Report to the Council at least once a year.	(a) To make recommendations on the award of honorary doctoral degrees; and (b) To approve the conferment of the title of Emeritus Professor.
Honorary University Fellowship Committee	Report to the Council at least once a year.	To make recommendations on the award of Honorary University Fellowships.
Personnel Committee	Report to the Council regularly.	(a) To make recommendations to the Council on personnel matters; (b) To handle staff grievances and related appeals; and (c) To approve termination of academic and equivalent administrative staff on substantiated appointments.
Standing Committee	Report to the Council regularly.	(a) To coordinate the affairs of the Council; and (b) To provide advice/guidance to the senior management team on strategic issues.
Superannuation Fund Supervisory Board	Report to the Council on matters of importance to the Superannuation Fund (the Fund), including the financial report of the Fund, changes to the Trust Deed and/or the structure of the Fund.	(a) To recommend investment objectives and strategy for the Fund; (b) To monitor the performance of the corporate trustee, investment managers and other service providers; (c) To set policies and administrative measures to protect the interests of the Fund; and (d) To approve the appointment and termination of the corporate trustee of the Fund.