

The Code is well drafted and not surprisingly reflects the FRC's UK Corporate Governance Code. In doing so, however, it appears to proceed on the false premise that HEIs are private sector institutions whose Boards have no duty other than to the institution itself. Given the absence of shareholders or any company-style AGM there is a clear lacuna regarding the responsibility that the institution has towards both the public interest and to its wider stakeholders. In view of the status of Scottish HEIs as charities, it would be appropriate to reflect in the Code the requirement that the Institution should provide public benefit; and that the role of governors as trustees includes ensuring that it does so.

The overarching purpose of governance of HEIs is not so much to promote the enduring success of the institution as an end in itself, but rather to ensure that it achieves that success by continuing to provide public benefit through the advancement of education. Against that background, it would be useful to **add to the specific bullet points on page 2** of the draft Code:

- “ensuring that it continues to promote its charitable purposes for the public benefit;”

This would serve to highlight **Main Principle No 2** of the present draft, which **could also usefully be expanded** better to reflect the terms of the Charities and Trustee Investment (Scotland) Act 2005.

Main Principle No 6 could also usefully be adjusted to underline the responsibility of members as trustees. Something along the following lines would better reflect the role of lay members in this respect:

“All members shall exercise their responsibilities so as to secure the public interest in the Institution's pursuit of the advancement of education. They will promote the mission of the Institution as a whole rather than act as a representative of any constituency. The Institution...”

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