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Dear Sirs

Scottish Code of Good Governance – Comments on draft revised code

I am a former member of the Court of the University of Dundee where I sat on the Finance and the Governance and Nominations committees. I also chaired an external review of the effectiveness of that University's Court. I have a continuing interest in good governance.

I am disappointed that that the revised code still falls short of the Financial Reporting Councils 2016 Corporate Governance Code in a number of respects. Scottish universities regularly assert their autonomy from government and consider themselves not to be considered to be wholly public sector organisations. There are two important areas of the draft code in particular that I would like to comment on and compare with the FRC's code.

Definition of Lay members

It is notable that the draft revised code drops any mention of the term 'independent member' and uses the term 'lay member' instead – defining them as someone who is 'neither an employee or a student of the institution'. I believe that the term 'independent lay member' should be used and that the definition should match that used in the FRC's code – i.e. has not been an employee (or student) within the last five year or has served on Court for more than nine years. I also consider that as in the FRC code, universities should have to identify in their annual report each member they consider to be independent.

The reasons I am making this suggestion is because there are examples where a member may meet the draft codes requirements of being a 'lay' member but not be truly independent, for example:

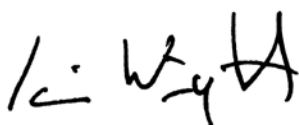
- one (ancient) university has obtained legal advice that its Rector, being elected to by students to represent their interests, cannot be considered independent;
- another university's alumni representative on its Court was a very recently retired senior member of staff and as such would not meet the FRC's definition of independence.

Publication of information

The draft code refers to making details of member attendance and salaries of senior staff public. Whilst most Scottish universities publish details of member attendance in their annual reports, only one publishes details of senior staff salaries. One (ancient) university published neither member attendance nor senior staff salary details. The draft code does make it clear where the information should be published.

I would commend the FRC code's approach which requires such information to be published in an organisation's annual accounts. Local authorities, HE colleges and NHS boards are also required to include in their annual accounts the same information. This makes it easy it easy for members of the public to readily access it. It is disappointing that one university made senior staff salary information available only after being directed to do so after a Freedom of Information decision by the Scottish Information Commissioner.

Yours sincerely



Iain D M Wright