

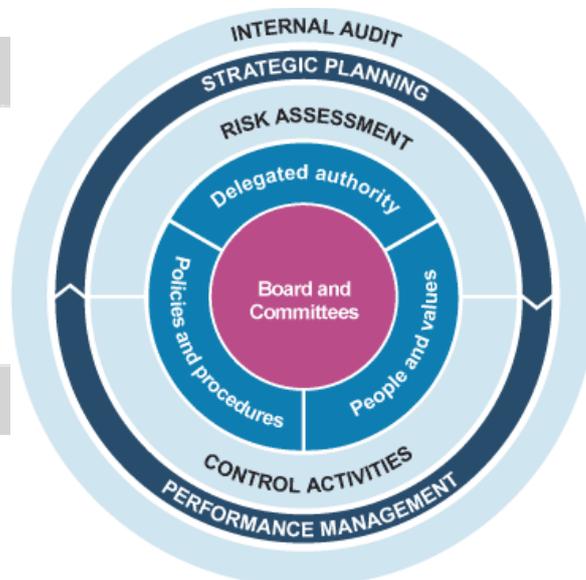
'Corporate governance involves a set of relationships between an organisation's management, its board, its shareholders (where applicable) and other stakeholders. Corporate governance also provides the structure through which the objectives of the organisation are set, and the means of attaining those objectives and monitoring performance are determined. Good corporate governance should provide proper incentives for the board and management to pursue objectives that are in the interests of the organisation and its stakeholders and should facilitate effective monitoring.'

OECD

Corporate governance – essential for institutional wellbeing:

- **Set and norms, strategic vision and direction and formulate high-level goals and policies**
- **Oversee management and organisational performance to ensure that the organisation is working in the best interests of the public, and more specifically the stakeholders who are served by the organisation's mission**
- **Direct and oversee the management to ensure that the organisation is achieving the desired outcomes and to ensure that the organisation is acting prudently, ethically and legally.**

Good corporate governance is fundamental to the success of an institution. We will help you implement an effective governance framework, with embedded procedures to ensure the key governance issues are regularly and consistently addressed.



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A Corporate Governance code ("the Code") has existed in the UK since 1992. The initial Cadbury Code started with a specific focus on accountability and transparency in particular. The financial crisis of 2008/09 accelerated an intended review of the Code in the UK and in 2018, the Financial Reporting Council (FRC) issued an updated UK Corporate Governance Code. This 2018 code extends the set of principles and provisions for Boards/ governing bodies to use under the principle of "comply or explain".

The original governance framework has evolved considerably and it is no longer sufficient for HE institutions simply to have the necessary structures and procedures in place. The Committee of University Chairs (CUC) published its own code (Higher Education Code of Governance, 2014) but the behaviours of the Board and their committees, and the way they carry out their roles and their functions, are now seen to be equally as important as the formal structure of systems and procedures within an HE institution.

An institution's culture will determine the quality of its governance rather than its set of documented regulations. A general understanding of what Boards/ governing bodies and Audit Committees are for and what they do in the HE sector has been achieved – the focus is now on how they do it.

As Internal Auditors, we seek to align our work to this framework providing the necessary assurances to management that established processes and procedures are in place and operating effectively and can be relied upon. We have a vital role to play in the governance framework within an HE institution.

KCG is experienced in carrying out reviews of the corporate governance framework including effectiveness of the Board/governing body and associated committees, effectiveness of strategic and operational management processes, and reviews of more detailed aspects of the corporate governance framework including the development and use of Key Performance Indicators (KPIs).

We are also experienced in helping HE institutions to develop “board assurance”. The development of an effective board assurance framework is dependent on how successfully the Board/ governing body has understood, mitigated and monitored the institution's risks. The development of a board assurance framework, and “assurance mapping”, should be a logical extension of the existing risk management arrangements.

We can also help with the following

Design a corporate governance framework – we help you identify strategic objectives and drivers, operational processes and inherent risks. This forms the basis of an analysis to help identify the governance frameworks necessary to meet the expectations of your stakeholders.

Corporate governance improvements – Our service is specifically tailored to you, taking account of the sector and regulatory challenges that are specific to you, and drawing upon our deep experience of working with similar institutions and sectors, enabling us to advise you on best practice. We will deliver proportionate and pragmatic recommendations to help you improve your governance arrangements.

Board effectiveness – A key element that is inherent in good governance arrangements is having a board that is working optimally to deliver the strategy, make the right business decisions and overseeing the operations of the business. Our board effectiveness approach involves a detailed review of board structures and activities.

Board and management information review – Both the board and executive management require good quality management information to support them in fulfilling their corporate duties. Our review will consider the strategic, operational and financial information that needs to be presented to different management communities, to ensure it is complete, is succinct but sufficiently comprehensive, and is presented in a format that facilitates understanding.

What you can expect

Our team has extensive experience of working in partnership with many organisations across a range of industry sectors. The team is well placed to advise you about what constitutes governance best practice and, conversely, about the pitfalls and what needs to be done where governance arrangements fall short of the required standard or where you are non-compliant with statutory requirements.

The key features of our governance advisory services are:

- We work collaboratively with our members to help them develop their governance arrangements
- Our team has extensive experience of working with a variety of institutions and can therefore help you develop best practice arrangements
- We adopt a pragmatic approach to our work, recognising that one size does not fit all; we tailor our work to fit your needs.

References

UK Corporate Governance Code 2018	https://www.frc.org.uk/getattachment/88bd8c45-50ea-4841-95b0-d2f4f48069a2/2018-UK-Corporate-Governance-Code-FINAL.PDF
Committees of University Chairs – Higher Education Code of Governance	https://www.universitychairs.ac.uk/wp-content/uploads/2015/02/Code-Final.pdf