

Report of the Review Committee on University Governance and Management



CONTENTS

Chapter 1 : Introduction	1
Establishment of the Review Committee.....	1
Scope of Work of the Review Committee	1
Consultation	2
Chapter 2 : Role and Mission of the University	4
Vision, Mission and Role Statements	4
Profile of the University.....	8
Future Role and Mission.....	9
Chapter 3 : Governance: The Existing Structure	11
The Council.....	11
The Council Committees	12
The Senate.....	12
The Management Board.....	13
Chapter 4 : Governance : Views of the Review Committee	15
The Council.....	15
The Council Committees	20
The Court	25
The Senate.....	26
The Management Board.....	27
Chapter 5 : Governance and the Future of the College of Higher Vocational Studies.....	29
Chapter 6 : Implementation.....	31
Chapter 7 : Summary of Recommendations	33
Appendices	
Appendix 1 : Membership of the Review Committee	36
Appendix 2 : Consultation : Questionnaire and Summary of Views.....	37
Appendix 3 : Profile of the University.....	49
Appendix 4 : Committee Structure of the University	58
Appendix 5 : Bibliography.....	68

CHAPTER 1 : INTRODUCTION

Establishment of the Review Committee

1. The Review Committee was established by the University Council at its 26th meeting on the 25th November 2002 in response to recommendation 6 in the Sutherland Report¹:

“That the governing body of each university carry out a review of the fitness for purpose of its governance and management structures. Such an exercise will necessarily include a review of the relevant ordinances and, where appropriate, proposals for legislative changes should be made.”

2. The following terms of reference of the Review Committee were agreed by the Council:
 - (a) to conduct a review of the governance and management structures of the University to determine its fitness for purpose in the light of the changing environment of higher education in Hong Kong;
 - (b) to report its findings to the Council together with recommendations for changes it considers appropriate to both the governance and management structures; including any consequent changes required to the University Ordinance and its Statutes.
3. The membership of the Review Committee is shown in [Appendix 1](#).

Scope of Work of the Review Committee

4. Although the terms of reference of the Review Committee include a review of the governance and management structures of the University, the Review Committee decided that it would not undertake a detailed review of the management structure, believing this to be the responsibility of the President who is the chief executive of the University directly responsible to the Council for the management of the University in accordance with its Mission and strategic directions.
5. However, the Review Committee did review the interface between the governance and management, in particular the relationship between the Council and the President. It also examined the work of the major committees established either by the Ordinance or the Statutes of the University since they are integral parts of the governance structure. The committees include the Council Committees, the Senate and the Management Board.

¹ Higher Education in Hong Kong, Report of the University Grants Committee, March 2002

6. In undertaking its task, the Review Committee focused its attention on the following tasks:
- (a) a critical study of the role and mission of the University, consulting with the stakeholders to consider whether, in their view, this adequately reflected the aspirations of the University;
 - (b) a critical study of the existing structures of governance and management and assess their fitness for purpose, strengths and shortcomings;
 - (c) an examination of how the governance and management structures could be improved to successfully fulfil the mission of the University;
 - (d) an assessment of the impact on the governance structure of the decision to establish the College of Higher Vocational Studies (the College) as a financially independent College; and
 - (e) identifying the actions required to implement the recommendations.

Consultation

7. The Review Committee decided to undertake a process of consultation with the stakeholders of the University. It decided to conduct this in two stages. The first comprised face to face interviews with the primary stakeholders followed by the issue of questionnaires to the wider group of parties with an interest in the University.

Interviews with the Primary Stakeholders

8. The Review Committee identified the following individuals and groups as representatives of the primary stakeholders of the University:

The Chairman and Senior Members of the Council
The President
The Vice-President for Academic Affairs and the Vice-President for Administration
The Deans of the Faculties and Schools and the Executive Director of CityU Extension
The Students' Union
The Staff Association
The Secretary-General of the University Grants Committee (UGC)

9. The Review Committee arranged to meet with each individual/group and to discuss their perception of the current nature and performance of the governance structure. To promote interaction and to focus discussion, a series of questions were compiled for each consultation session. A copy of the questionnaire is presented in Appendix 2 together with a summary report on the findings of the

individual consultation sessions. Participants were asked to further study the issues raised and, if they wished, to make a written submission to the Review Committee.

Wider Consultation

10. Following direct consultation with the above individuals/groups, the Review Committee issued questionnaires to a wider audience for their input. This included all members of the Council not involved in the face to face interviews. In all cases individuals were invited, not just to respond to the questionnaire, but to raise any other matters they considered relevant to the review.

Consultation Issues

11. A number of key issues were identified in the consultation process. These included the following topics:

- Scope of work of the Review Committee
- Models of Governance
- Roles and responsibilities of the Council
- Composition of the Council
- The Council Committees
- Role and size of the Senate
- Role and work of the Management Board
- Need for an Audit Committee

Reference will be made to the results of the consultation process at appropriate places in this report.

CHAPTER 2 : ROLE AND MISSION OF THE UNIVERSITY

12. In the context of this report, the Review Committee has decided to adopt the following interpretation of the words “Role” and “Mission”. Role refers to the role of the University as pronounced by the Government through the University Grants Committee. Mission refers to the University’s own mission statement on the purpose for which it has been established and how it conducts its activities and relates to the community. To avoid confusion, when Role and Mission are used with these meanings, they are capitalised.

Vision, Mission and Role Statements

13. In examining “fitness for purpose”, it is essential to understand the “purpose” of the University and hence to examine its Role and Mission. Indeed most statements on the principles of governance stress that one of the major duties of the Council is to determine the role, mission and strategic directions of the University.
14. The Review Committee has therefore examined the current Vision and Mission statements of the University to understand its current operations and strategic directions. The issue is complicated by the fact that the Government, through the UGC, has also published a Role for the University as seen from their overall perspective of the development of higher education in Hong Kong. These statements, and the issues they raise, are fundamental to any discussion of the governance and management structure of the Institution. They are therefore repeated here in full.

University Vision Statement

City University of Hong Kong aspires to be internationally recognized as a leading university in the Asia-Pacific region.

University Mission Statement

The mission of City University of Hong Kong is: to provide its students with quality higher education; to contribute to the advancement of knowledge; to interact with other institutions of higher education and professional bodies; to cooperate with industry, commerce and the community; and to offer access to the University's human, physical and technological resources for the benefit of society. Anticipating and responding to local and regional needs and the effects of rapid social and technical change, City University of Hong Kong emphasizes professional education and practice, and applied research.

The Government's view of the Role of the Institution was stated in the interim report "Higher Education in Hong Kong" published by the then University and Polytechnic Grants Committee in November 1993. Annex C (paragraph 13) of the report identifies the following:

*"City Polytechnic of Hong Kong"*²

- (a) offers a range of courses leading to the award of Diplomas Higher Certificates, Higher Diplomas³, and First Degrees;*
- (b) offers a relatively small number of higher degrees and has research programmes in some subject areas;*
- (c) emphasizes the application of knowledge and vocational training; and*
- (d) maintains strong links with industry and employers."*

15. In identifying separate roles for the higher education institutions, the report states:

*"this description which intends to be illustrative, rather than exhaustive, serves as the basis for the Committee [UPGC]'s assessment of academic plans and cost estimates from the institutions"*⁴

Other statements in the report add more clarity to the perception of the UGC of the difference in roles between the original three universities and those newly created. This is largely associated with the research role of the institutions and, whereas the report recognises the value of research for all, it makes it clear that the bulk of this activity, including the training of research students, will be the responsibility of the three original universities. According to the UGC, the University's Role is, therefore, to concentrate on undergraduate education, preferably vocationally oriented, but the University is also tasked to involve itself (albeit on a relatively smaller scale) in research and the supervision of postgraduate research students.

16. This description of the Role of the University remains valid in part, but, not surprisingly, fails to embrace developments which have taken place within the University, and the changes in the economy of Hong Kong to which the University has reacted. Indeed, the UGC report defining the Role of the University states that

² University status and title was conferred in November 1994

³ "Higher Diplomas" was revised to read as "Associate Degrees" in the UGC FACTS and FIGURES 2001

⁴ Higher Education 1991-2001 : An Interim Report, November 1993 (Annex C, paragraph 13)

“... it will keep its policies for the allocation of research support under review and will respond to changing circumstances in the institutions and outside them.”⁵

There is then a legitimate need to redefine the Role of the University as a consequence of developments over a decade.

17. There is another reason for this need: the attempt, in a few words, to embrace the role of the College of Higher Vocational Studies (hereinafter referred to as the College), which concentrates on sub degrees and vocational qualifications, with that of the rest of the University, which has achieved a very considerable measure of eminence as judged by the most stringent international criteria, is simply not feasible. The most recent developments whereby the College and the rest of the University will exist under entirely different funding regimes makes the search for words to describe a single all embracing role for the whole enterprise nugatory. The issue of the College and its future relationship with the University is discussed in Chapter 5.
18. It is important to relate the University's Mission to the changes which have taken place in Hong Kong's economy over the last decade. There has been a transition from a manufacturing community to one where the economic contribution has to be on an increasingly cerebral level. It is a society that will increasingly depend on innovation and the speed with which new concepts and systems can be applied.
19. The Review Committee understands that the University has been accused of “mission drift” in relation to the Role pronounced by the Government. Does the current work of the University support this diagnosis? Other than reacting to the fact that we live in a dynamic world, the Review Committee believes that the University has not deviated from its central Role. The College's work in Associate Degree programmes is thriving. The quality and volume of vocational training has steadily increased. The degree awarding part of the University has focused on applied research; on initiating and developing industrial collaborations; on commercialising the fruits of applied research, in part through the encouragement of spin-off companies.
20. In relation to the degree awarding part of the University, **all** departments have higher degree programmes; **all** participate in research. One can attempt to judge the quality of the research by input measures – such as the resource which the academics attract on a competitive basis. Figure 8 in [Appendix 3](#) shows that the University is a strong competitor. Perhaps of even greater validity is a measure of research quality assessed by **output** criteria – using the citation index and the impact analysis tools. Our investigation of such measures shows that the University is performing at a high level and that some departments and groups within those departments have attained the highest international levels.
21. University research is an essential factor in accelerating the process of economic development. The total R&D expenditure in Hong Kong, 0.48% of GDP, is

⁵ Higher Education 1991-2001 : An Interim Report, November 1993 (Annex C, paragraph 12)

lower than that of most competitor nations. The figure for Singapore, for example, is nearly four times greater⁶. There has been a recent suggestion in Hong Kong that the way to enhance the research contribution might be by concentrating it in a small number of universities:

“That a small number of institutions be strategically identified as the focus of public and private support with the explicit intention of creating institutions capable of competing at the highest international levels.”⁷

This is a suggestion which has, over the last two decades, been explored many times, in the USA and the UK and has never survived serious scrutiny. The fallacy is in seeking the unit of research excellence at the level of a university when in practice it can only be identified at the level of a department and frequently with groups within a department. There are indeed universities where most - **but not all** - research groups are world class; Stanford in the USA, Cambridge in the UK are clear examples. But, in the UK world class research groups exist in universities which on a research assessment ranking order might be any where within the first 50, in the US certainly within the first 100. The attempt “strategically to identify” a top echelon of universities, will undermine research excellence in other universities. It also provides unwarranted protection for the weaker departments in the chosen institutions.

22. The role, mission and strategic directions of the University are at the heart of governance and the unanimous view of the stakeholders consulted was that the Council should retain the ultimate responsibility to determine the Mission and strategic directions of the University, consistent with the Role imposed by the Government through the UGC. The Review Committee agrees with this view and believes that the Mission should be reviewed from time to time by the Council and the operation of the University monitored to ensure that the development of the Institution is in line with the agreed Mission. The Review Committee emphasises that the Council should be pro-active, rather than re-active in this process. Council members, particularly lay members, should work directly with the President in developing the Mission and not merely react to proposals coming from within the University.

Recommendation 1

The Council should take direct responsibility for the development of the Mission and setting the strategic directions of the University. The Mission should be reviewed periodically and revised in response to changes in the community.

⁶ Higher Education in Hong Kong, Report of the University Grants Committee, March 2002 (paragraph 5.10)

⁷ Higher Education in Hong Kong, Report of the University Grants Committee, March 2002 (Recommendation 1)

23. The Government established the Roles for each of the Hong Kong universities in the mid 90's. This has led to some tension between certain institutions, including City University, and the UGC. Following the arguments presented in paragraphs 16 to 21, the Review Committee believes that the current Role should be reviewed by the UGC and that a new Role should be agreed for the University. In order to establish this, a dialogue should be initiated between the UGC and the University and a balance struck between the views of the Government and the aspirations of the University.

Recommendation 2

The Government through the UGC should review the current Role of the University in the light of the economic development of Hong Kong which has occurred in the last decade. Any revision of the Role should, if possible, be agreed between the two parties by means of a dialogue between the UGC and the University.

Profile of the University

24. In seeking to understand more fully the work of the University, the Review Committee examined its Role and Mission in relation to similar statements of other universities, particularly those in Hong Kong. It came to the conclusion that it is a common feature of such statements that they paint too broad a picture to obtain a clear understanding of the work of an institution. This is perhaps not surprising since large universities are complex organisations with diverse disciplines seeking to achieve a variety of objectives in teaching, research and public service. The Review Committee therefore decided to conduct a more detailed study of the strategic plans and the current profile of the University to understand more fully the nature and complexity of its current operations. The results of its studies are presented in [Appendix 3](#) which attempts to summarise its main findings.
25. The current Role and Mission statements, together with the Strategic Plan, have formed the basis for the development of the University over the past eight years. From its analysis, the Review Committee has attempted to articulate what appears to be the role and mission of the University based on its actual activities. Rather than trying to put this into a few concise statements, the Review Committee has simply listed a number of attributes which it believes summarises the current work and aspirations of the University:
- (a) the University offers a full range of academic programmes covering all levels from Associate Degrees to PhDs;
 - (b) the main thrust of the University programmes is in the fields of applied science, engineering and technology, business, languages, social studies and law;

- (c) the introduction of programmes in the creative use of technology is one of the major recent innovations of the University;
- (d) the University sets great value by the “whole person” development of the student and it devotes considerable effort and resources to this endeavour;
- (e) one of the main objectives of the University’s credit unit system is to broaden the studies of students to improve their communication skills, develop their understanding of society and promote their interest and appreciation of their cultural heritage;
- (f) the quality of the teaching programmes of the University is assured by a comprehensive internal quality audit system and the conduct of regular programme reviews;
- (g) the University expounds the belief that teaching, research and scholarship go hand-in-hand and that a vibrant research environment helps create innovating and stimulating teaching programmes;
- (h) emphasis is placed on applied, rather than pure, research particularly where a project enjoys additional funding from the University;
- (i) the University believes in targeting support for applied research in a few areas of excellence that can become world class;
- (j) the University nurtures the research development of young staff and the recruitment of eminent scholars provides exemplars for younger staff; and
- (k) staff of the University contribute their expertise to the community through consultancy and various forms of applied work and such work plays a role in the assessment of staff performance.

Future Role and Mission

26. As indicated above, the Review Committee found the current form of mission statements, both for the University and other universities, unsatisfactory. They are too general in nature and do not provide a basis for measuring the performance of the institution. Indeed most of the mission statements studied could apply to almost any university. In developing a new mission statement, emphasis should be placed on identifying specific goals and the statement should be accompanied by a series of specific objectives arising from the mission statement.
27. The University is facing a very different landscape over the coming ten years. The environment within which the University is working is changing substantially. It is clear that there will be a significant reduction in funding by the UGC. Funding will be removed from the majority of the Associate Degrees and responsibility for this level of work will be transferred from the UGC ambit to the new Manpower Development Council. The University is therefore faced with deciding whether it should continue to offer programmes at this level or whether these should eventually be transferred to a separate institution. Since the Associate Degrees represent around one third of the student population of the University, this decision will have a dramatic impact on the University and its future. This is clearly a matter of governance and could alone justify a re-writing of the University’s Role and Mission. The future relationship, if any, of this work to the University could also require a review of the Ordinance particularly if a new institution is formed as part of, or associated with, the University. The

possible implications of this on the governance structure are discussed in Chapter 5.

28. The predicted reduction in funding will have other far reaching effects on the University. UGC funding will also be removed from a number of postgraduate programmes and there will be significant, across the board, reductions in the overall level of the block grants. The anticipated cuts are sufficiently substantial to require a major re-appraisal of the work of the University. Where similar funding cuts have been experienced elsewhere, these have led to the placing of greater emphasis on the generation of additional streams of income and a more “market driven” approach to planning University activities.
29. Apart from these resource issues, the interaction of the University with the Mainland and the wider region of Asia is also changing rapidly. The University has already established research centres and offers a number of postgraduate programmes on the Mainland. This changing international role is foreshadowed in the latest Strategic Plan “Meeting the Challenge of Change” which in looking to the future states:

“As Hong Kong looks forward to a future in a changing region, we intend to align ourselves with that future, as a university at the hub of a spreading regional and international network of professional education and applied research, at the service of a leading city in China with increasingly strong linkages to a knowledge-based global community.”⁸

30. The Review Committee believes that the University, in reviewing its Mission should address the issues of the reduction in funding and its changing international role including its part in increasing greater academic and educational linkage with the Mainland.
31. The Mission statement should be accompanied by specific objectives which can be used to assess the performance of the University in relation to its mission. The Review Committee has in mind objectives which are strategic in nature rather than related to the operation of the University. As an illustration, if hypothetically, the Mission included a statement that the University should devote effort in supporting the development of the creative industries in Hong Kong, a related objective could be to establish a number of programmes in the Business Faculty directed specifically to produce graduates with skills related to this sector of the economy.

Recommendation 3

A new Mission statement with specific objectives should be developed so that the performance of the University could be assessed from time to time.

⁸ Meeting the Challenge of Change : Strategic Plan 2003-2008 (Executive Summary p.iii)

CHAPTER 3 : GOVERNANCE: THE EXISTING STRUCTURE

32. The existing governance structure was largely established by the City University Ordinance which was enacted in November 1994. The roles of the Council and the Senate are detailed in the Ordinance. The Council is the supreme governing body of the University and is empowered to perform all the duties of the University. The Senate is the supreme academic body of the University and is responsible for regulating the academic activities of the University. The Ordinance makes provision for the establishment of a Court to act as the supreme advisory body of the University. For reasons discussed later, the University has yet to establish the Court.

The Council

33. The University Ordinance empowers the Council to act on behalf of the University and to do all such things as are necessary for the furtherance of the functions of the University. Membership of the Council is prescribed in the Ordinance amounting to a potential total of 37 members. These are:

- The President & Deputy President
- 4 Vice-Presidents and 5 Deans
- 3 public officers
- 18 lay members
- 3 members of staff
- The Chairman of Convocation
- The President of the Students' Union

34. However, the Government has decided not to appoint public officers to the university councils and the University has yet to establish its convocation; thus the total potential membership at present stands at 33. Of the 18 lay members, 9 are appointed by the Chief Executive directly and 9 are appointed by the Chief Executive on the advice of the Council. Of the 33 potential members, 14 are staff and one is a student of the University.
35. The Council has formed a number of sub-committees to facilitate its governance responsibilities. The major sub-committees are:

- Executive Committee
- Finance Committee
- Estates and Development Committee
- Staffing and Conditions of Service Committee

36. In addition, the Council has established the following committees to advise on some specific issues. These additional committees comprise:

Committee on Donations
Committee on Statutes
Honorary Awards Committee
Advisory Committee for Graduate Employment

37. In accordance with accepted practice, the Council has also established a Main Tender Board, reporting to the Finance Committee. The Board deals with all procurements in excess of HK\$3 million.
38. On the advice of the Senate, the Council has enacted Statutes which establish the academic structure of the University comprising Faculty, School and College Boards which report to the Senate. The Council has also established, through the Statutes, a Management Board which is advisory to the President on all resource and management issues.

The Council Committees

39. The Council has delegated its detailed work to the major standing committees identified above. In general these committees meet in sequence with the Council meetings and prepare reports and items for decision for the up-coming Council meeting. Membership of the committees is selected to ensure that all Council members serve on at least one of the major committees and that there is a balance between the internal and external members. Reports and items for decision by the Council are also scrutinised by the Executive Committee immediately prior to the Council meeting.

The Senate

40. The Senate is established by the Ordinance as the supreme academic body of the University. It is responsible for planning and regulating the academic programmes of the University including the establishment of quality assurance procedures. The Senate has wide representation from the academic units of the University. Its current composition amounts to some 80 members comprising the following:

- | | |
|------------|---|
| Ex-officio | <ul style="list-style-type: none">• President, Deputy President, Vice-Presidents and Deans/Provost• Heads of academic departments/divisions/schools• All Professors (Chair) who are not otherwise members• Librarian• Director of School of Continuing and Professional Education |
|------------|---|

- | | |
|---------|--|
| Elected | • One elected representative from each academic department/division/school |
| Student | • Two students nominated by the Students' Union |
41. Most of the detailed academic work is delegated to Faculty and School Boards with the Senate concentrating on major academic issues including the introduction of new disciplines and programmes, ensuring quality assurance processes are in place and approving major academic initiatives of the University. Even for these major issues, the Senate is too large a body to formulate the detailed policies involved. The Senate has therefore delegated preliminary formulation of major academic issues to a standing committee, the Academic Policy Committee. The latter has representation from the faculties, college and schools and provides the initiative for new academic developments.
42. Major debates in Senate, when they do occur, involve academic issues which cut across the special interests of the academic units and have University wide implications. Such issues include regulations governing the medium of instruction, requirements for language competency at admission and graduation, minimum credit requirements for graduation, etc.
43. The Senate also provides the only forum where all senior academic members of the University meet and is often used by the Chairman (the President) to communicate major developments within the University and in the wider academic community of Hong Kong.

The Management Board

44. The Management Board is established in the Statutes to advise the President on all issues relating to the management of the University including the implementation of the Strategic Plan, the deployment of resources, procedures for staff appointments etc.
45. The Management Board is chaired by the President and includes all the senior managers of the University. The current membership comprises:

President
Vice-Presidents
Deans of Faculties & Schools
Provost of the College
Director of Finance
Director of Human Resources
Chief Information Officer
Executive Director of CityU Extension
Two professorial staff appointed by the President

(The Head of the Internal Audit Unit is in attendance)

46. The Board has established a total of 18 sub-committees covering a range of issues including the preparation of annual budgets, the allocation of accommodation, staff development and appraisal, staff consultation, etc.
47. The resulting committee structure of the University is presented in Appendix 4 together with the terms of reference and composition of the Council Committees.

CHAPTER 4 : GOVERNANCE :

VIEWS OF THE REVIEW COMMITTEE

The Council

Role of the Council

48. As the supreme governing body, the ultimate responsibility for the Institution rests with the Council including fiduciary responsibility for the academic integrity and financial health of the University. For practical reasons, the Council has the power to delegate but is ultimately responsible for the proper functioning of the University.
49. The Review Committee has already recommended that the Council should be responsible for setting the Mission and strategic directions of the University and negotiating the Role of the University with the Government (Recommendations 1 and 2). It should also monitor the operation of the University to ensure that the programme of activities is consistent with the agreed Mission.
50. An analysis of the current work of the Council suggests that it is too heavily involved in operational matters of the University which should be the responsibility of the President. There should be greater in-depth debate of major strategic issues and the task of monitoring the operation of the University should be properly structured with the adoption of key performance indicators to facilitate the Council's task. Such performance indicators should be related to the management and operation of the University. Some stakeholders felt that the rules for delegation were not fully understood by all Council members or senior members of the University.
51. The Review Committee believes that it is important that matters delegated by the Council to the President are fully documented and understood. Equally, it is important for further delegation of powers by the President to his senior staff to be similarly specified.

Recommendation 4

There should be a clear delegation of management matters to the President, to avoid the Council becoming too involved in operational matters. The rules for delegation should be clearly understood by all concerned.

Recommendation 5

The monitoring of the management and operation of the University by the Council should be facilitated by the development of agreed key performance indicators.

52. Apart from its role in directing the University, the Council is the primary link between the Institution and the community. It should play a key part in promoting the image of the University; ensuring that the community understands and appreciates its work and achievements. Major issues arise from time to time which can have a negative effect on the public image of the University. In certain instances, the Council may need to step in and take firm remedial action to minimise the damage that can be caused to the reputation of the University.
53. For Council members, particularly lay members, to be more pro-active in promoting the University, they need to be well briefed on its activities and accomplishments and have the opportunity to help develop its image within the community.

Recommendation 6

The University should explore means to involve lay Council members more fully in the development and activities of the University and to provide opportunities for them to promote the work of the University within the community.

54. These recommendations will also affect the work of the Council Committees. Feedback from the consultation process suggests that many members feel these committees are also too involved in operational matters of the University. This issue is addressed in paragraphs 64 to 81.

Size and Composition

55. There are two additional related issues concerning the Council; namely size and constitution. If the Council is to become more pro-active and involved in setting the role, mission and strategic directions of the University, can this be achieved with a body of over 30 members? Irrespective of the size of the Council; is the current constitution, particularly in relation to the balance between internal and lay members, appropriate?

56. Lay members often have major commitments outside the University and find it difficult to attend all meetings of the Council, and, in particular, all meetings of the sub-committees on which they serve. This can frequently result in meetings where the internal staff members are in the majority. The Review Committee is concerned about this situation since staff inevitably have a potential conflict of interest on many issues and for them to be in the majority when such items are discussed is not consistent with the principles of good governance. Increasing the number of lay members could be seen as a solution to this particular issue. However, having a large number of lay members could reduce the feeling of responsibility of each member to attend most of the time and fewer members might achieve a higher percentage presence.
57. Attendance at meetings should not be seen as the only means of participating in University matters and development, and lay Council members should understand that membership on the Council involves a serious commitment to participate in the governance of the University and does require time and effort on their part. If the recommendations of the Review Committee are accepted, input from lay Council members will play a greater part in the future development of the University.
58. Consultation with stakeholders uncovered different views on the issues of size and composition. However, the majority of the feedback suggested that the current Council is rather large and that the representation of internal members could be reduced. The Review Committee believes that, given a greater involvement of the Council in planning the future direction of the University, its size should be reduced. Since the views from management could be represented effectively by the President and one or two members of the senior management team and, bearing in mind the potential conflicts of interest of internal staff members, the Review Committee believes that such a reduction should be accompanied by a shift in the balance of membership towards lay members. With a smaller number of lay Council members, it is expected that they will be more committed to participate in University affairs and their development.

Recommendation 7

Council membership should be reduced to a total of not more than 20 and there should be a clear majority of external members, which could possibly be achieved by reducing the number of internal members to 5.

59. If the above recommendation is adopted, the existing internal membership of the Council would be significantly reduced. The Review Committee was impressed by the arguments of the Staff Association that there should be a strong representation of elected staff. Their argument is based on the fact that senior staff of the University have ample opportunity through the internal committee structure to influence and “have their say” in the operation and development of the University. This is denied to the generality of staff and having elected

representatives in the Council can help redress this. The Review Committee also believes that it is important for the students to be represented on the Council and that the views of the University management can be effectively put to the Council by the President and the Deputy President.

60. The Council should always have the right to request the presence of other senior staff of the University should it consider that discussion of a particular item would benefit from their input. In these instances, the staff member would be “in attendance” – i.e. would not have a vote. The Council Committees, which are established to assist the work of the Council, and frequently act on behalf of the Council, should also be able to exercise this right whenever there are issues on which they would require input from the relevant quarters of the University community.

Recommendation 8

The internal membership of the Council should comprise :

- President
- Deputy President
- 2 staff elected by staff
- 1 student elected by students

The Council should have the right to request the presence of senior staff of the University when it considers appropriate.

61. The Committee of University Chairmen in the UK (CUC) has issued advice on the roles and responsibilities of members of governing bodies and on the conduct of business. The CUC guidelines state:

“Governing bodies are entrusted with funds, both public and private, and therefore have a particular duty to observe the highest standards of corporate governance. This includes ensuring and demonstrating integrity and objectivity in the transaction of their business, and wherever possible following a policy of openness and transparency in the dissemination of their decisions.”⁹

To help ensure that the conduct of the Council’s business meets this high standard, a Code of Practice for the Council members should be published. The Code should include the roles and responsibilities of Council and its members and establish rules and guidelines for the conduct of Council business.

⁹ Committee of University Chairmen, *Summary of Responsibilities of Members of Governing Bodies*. Retrieved March 6, 2003 from <http://www.shef.ac.uk/cuc/guide/11.html>.

Recommendation 9

A Code of Practice for Council members should be published outlining their role and responsibilities together with those of the Council itself.

62. The Review Committee has considered the mechanism for the appointment of Council members and believes that this should rest largely with the Council itself, in consultation with the Government, since the Government is empowered under the Ordinance to make the appointments. The Review Committee believes that this should be the responsibility of an ad-hoc Nominations Committee of the Council. The latter should present its recommendations to the Council after fully consulting with Government on the proposed nominees.

Recommendation 10

The Council should form an ad-hoc Nominations Committee to recommend individuals for membership of Council. The Committee should consult with Government on its proposed nominees before making its recommendations to the Council.

63. The periods of office of Council members needs to balance the requirement for the regular injection of new members with the need for the Council to develop a body of knowledge and understanding of the University's work. The Review Committee favours a 4-year term of appointment with members normally appointed for two consecutive terms. However, longer terms of office should not be precluded in special cases where the experience and contribution of the member concerned is considered to be particularly beneficial to the University.

Recommendation 11

Council members should be appointed for a 4-year term and normally for two consecutive terms. Longer terms of office, i.e. greater than 8 years, should not be precluded for special cases.

The Council Committees

University Development

64. The Review Committee has concentrated on the roles of the four major standing committees of the Council. These are Executive, Finance, Staffing and Conditions of Service, and Estates and Development. The latter three mirror the structure of the administration of the University, i.e. Finance Office, Human Resources Office, Campus Planning Office and Facilities Management Office. Agenda items and papers for these committees generally emanate from the administrative offices and it is perhaps not surprising that they tend to concentrate on administrative issues. The secretaries for these committees are also appointed from the corresponding administrative offices. There is also evidence of overlap in the current system. For example, the appointment of consultants and the monitoring of major capital projects involves both the Estates and Development Committee and the Finance Committee. Feedback from the consultation process suggests that the committees concentrate too much on operational rather than development issues.
65. With a more clearly defined responsibility for the Council, its committees should be structured to support the new role and to undertake the more detailed work in reviewing the development of the University and monitoring its performance. There should be committees specifically covering these aspects. A University development committee could keep under review the Mission and strategic development of the University. In line with views expressed in the Sutherland Report it could cover the following:
- ◆ preparing and reviewing the mission and core values of the University for the Council's consideration;
 - ◆ working with the President to prepare the draft strategic plan for the Council's approval;
 - ◆ together with the President, reviewing, from time to time, the organisational philosophy and structure of the University;
 - ◆ formulating the methodology for resource allocation within the University;
 - ◆ recommending to the Council the levels of delegation within the University; and
 - ◆ reviewing the overall deployment of resources both recurrent and capital funding and ensuring that the deployment of these resources was consistent with the strategic objectives of the University.
66. In relation to the last bullet point, the committee would look at both recurrent and capital funding and would therefore combine the roles of the current Finance and Estates and Development Committees.

Recommendation 12

The University should establish a University Development Committee in place of the Estates and Development Committee and Finance Committee. It should be tasked with working with the President to review the Mission and strategic directions of the University and to determine major policies in relation to the allocation and deployment of resources.

Performance Monitoring : Audit Committee

67. It has been proposed by the Government Auditor that universities should establish an audit committee directly responsible to the Council. The Review Committee believes that it would indeed be desirable to do so. Following the practice in corporations where members of the audit committee are all non-executive directors, the University audit committee members should all be lay members of the Council. The Review Committee is in accord with the outline of the role of such an audit committee suggested in the Sutherland Report. They should be tasked with monitoring the performance of management in providing value for money and in carrying out executive decisions that are in keeping with the strategic directions set by the Council. Their role should not be confined to financial issues but should extend to auditing the efficiency of processes.

Recommendation 13

The University should establish an audit committee, with membership consisting exclusively of lay Council members, reporting directly to the Council. It should be tasked with monitoring the performance of management in providing value for money and in carrying out executive decisions that are in keeping with the mission and strategic directions set by the Council.

68. This recommendation is consistent with the Sutherland Report which recommended universities to consider the establishment of an audit committee and saw the purpose of such a committee as:

“to monitor the performance of management in providing value for money and in carrying out executive decisions that are in keeping with the strategic directions set by the governing body. An effective audit committee encourages self-discipline which in turn enables more efficient delegation of powers. It is normal for an audit committee to

appoint external auditors who will monitor the proper management of financial processes.”¹⁰

69. The Review Committee considered alternative names for this committee to emphasise that its role is much wider than that suggested by the title “Audit Committee” which can be interpreted solely to cover financial audit. It has decided to leave this issue to the implementation phase of its proposals but emphasises that there should be a clear understanding that this committee should be seen to be monitoring the management and decision making processes of the University in relation to its agreed Mission and strategic directions.

Staffing

70. The success of any university depends crucially on the quality of its staff and staffing also represents the greatest element of expenditure; commonly up to 80% of the overall recurrent budget. It is not the responsibility of the Council to appoint staff to the University, apart from the President and Deputy President. However, since staffing is so important to the development of the University and represents such a major investment, the Council should be concerned with staffing and manpower policies, including the remuneration, conditions of service of staff, staffing levels and possibly the appointment procedures; hence the need for a Council committee responsible for these aspects of staffing.
71. This is a wider remit than that of the current Staffing and Conditions of Service Committee. The Review Committee feels that this is justified particularly in the light of the decision of Government to de-link salaries and conditions of service of staff from those of the Civil Service. From the 1st July 2003, the University is free to set its own remuneration packages for individual appointees which will have a direct bearing on the performance of staff and hence the University. In these circumstances, the Review Committee believes the Council should have a direct involvement in these staffing matters.

Recommendation 14

The Staffing and Conditions of Service Committee should be retained with increased responsibilities. It should review and make recommendations to the Council on the staffing and manpower policies of the University including remuneration and conditions of service of staff, staffing levels and appointment procedures.

¹⁰ Higher Education in Hong Kong, Report of the University Grants Committee, March 2002 (paragraph 3.41)

External Relations

72. Outreach of the University to the community featured as a major element in the Strategic Plan for 1997 to 2002. The plan stated:

*“A concerted effort at **outreach** to our community is called for. This means exploiting every avenue open to us to enhance our image and the development of long-term friendships and goodwill in our community.”¹¹*

73. The Review Committee believes that the Council can play a more active role in helping to develop the outreach activities of the University. Currently the only committee of the Council with an “external” role is the Committee on Donations. However, its task is limited to fundraising which is only one aspect of the development of external relations. The Ordinance includes the provision for the University to establish a Court as the supreme advisory body of the University. The Court envisaged would promote the University in the community and raise funds at the request of the University. Courts of universities are generally large bodies, comprising eminent members of the community, and meeting infrequently; usually once per year. Although the Court can form a useful link with one sector of the community, the development of good community relations is a much wider issue and needs more focused attention than the traditional court can provide. (See the section on the establishment of a Court.)
74. There is growing interest in Hong Kong in the ability of the graduates from the universities to meet the expectation of employers and what skills and attributes they should possess at graduation. This has been accompanied by the growth of internship and cooperative programmes which enable students to spend time in the working environment during their period of study in the University. The Review Committee believes that such developments should be encouraged and that the Council should play an active role in establishing a dialogue with potential employers of University graduates.
75. It is proposed therefore that a new standing committee of the Council be established with an expanded role to cover external relations incorporating the work of the current Committee on Donations. The work of the committee could cover the following:

- ◆ Working with the management to establish the “image” of the University;
- ◆ Developing strategies for communicating the work and achievements of the University to the community and establishing a dialogue with potential employers of University graduates;
- ◆ Initiating campaigns, both to raise funds and to promote the image of the University;
- ◆ Seeking donations on behalf of the University;

¹¹ Towards a New Era of Excellence : Strategic Plan for 1997-2002, 1996 (Executive Summary, Paragraph O)

- ◆ Reviewing the outreach work of the University including continuing education, consultancy, public service, etc.; and
- ◆ Overseeing the establishment, and reviewing the development, of “spin-off” companies.

Recommendation 15

In place of the present Committee on Donations, the University should establish an External Relations Committee to advise the Council on all aspects of the relationship of the University with the community.

Executive Committee

76. With the introduction of the new committee structure, taking a more strategic view of the development of the University, the Executive Committee’s role will change. It is still likely that decisions will need to be taken on behalf of the Council when no imminent meeting is due and this role can be exercised by the Executive Committee. There will also need to be special consideration of the contractual and personal matters of the President and the Deputy President which can continue to be exercised by the Executive Committee.
77. The Review Committee also believes that the Executive Committee should recommend to the Council the composition and membership of the Council Committees.

Recommendation 16

The Executive Committee of the Council should be retained with revised Terms of Reference and Constitution in view of the proposed changes to the standing committees of the Council.

78. In summary the Review Committee recommends that the Standing Committees of the Council should comprise:

Executive Committee
University Development Committee
Audit Committee
Staffing and Conditions of Service Committee
External Relations Committee

The Council should determine the terms of reference of these committees based on the roles identified in the sections above.

79. Apart from the Standing Committees of the Council, the Review Committee recommends that the other existing committees established for specific functions should be retained. These comprise the Committee on Statutes, the Honorary Awards Committee, and the Advisory Committee for Graduate Employment. In addition, the Main Tender Board reports to the present Finance Committee. The Review Committee assumes that the Main Tender Board will report to the future Audit Committee.
80. The Review Committee has no general comments on these committees which are functioning well and whose work is appropriate. However, in view of the recommendations in this report to delegate more operational matters to the President, the Review Committee believes that the current financial limit, whereby the Main Tender Board of the Council needs to consider all tenders in excess of HK\$3 million, should be raised.
81. A comment has been made in paragraph 64 that appointing secretaries from the administrative departments to the existing standing committees of the Council has tended to focus the attention of the committees on detailed operational and administrative issues. The main thrust of the Review Committee's recommendations is to ensure that, in future, this is not the case and the focus of business of the new committees should be on strategic and developmental issues. Consequently, the Review Committee believes that the current practice of appointing secretaries from the mainline administrative departments should be reconsidered. With the new structure proposed there will be a greater need to coordinate the work of the Council and its committees, avoiding duplication of work whilst ensuring that all matters that need Council input or approval are properly considered. One way of achieving this might be to place the secretarial duties for all standing committees of Council under the Council Secretariat. The Review Committee believes that this is an issue which should be considered as part of the implementation process.

The Court

82. The City University of Hong Kong Ordinance states : "*There is to be a Court of the University which is the supreme advisory body of the University*". In the early days of the University this did not seem to be a high priority. Now that the University has reached a stage of some maturity the case for setting up a Court is persuasive.
83. The Court provides an opportunity for members of the community to take an interest in the affairs of the University and, if they so desire, become involved in some of its activities. It provides the University with the opportunity to explore new collaborations within the Hong Kong community. The size of the Court should be determined primarily by the number of people who wish to become involved. The Review Committee anticipates in the first instance that the number would not exceed 200. The Ordinance defines a number of functions, with the most immediate being:

- ◆ to receive an annual report from the President; and
 - ◆ to discuss any motion on general University policy.
84. The Review Committee envisages an annual occasion which will provide members of the Court with the opportunity to visit various parts of the University and anticipates that some members of the Court will form connections with the staff in particular departments whilst others will be content periodically to receive literature from the University.
85. Suggestions for Court membership would be received by the President who would make recommendations to the Chairman of the Council to invite individuals to serve for a fixed but renewable period. Members would come from industry, commerce and the media. Some members would come from the Mainland and others perhaps from one or two other countries in the region.
86. One further matter which also postponed the establishment of the Court is that the Ordinance calls for the Chancellor, i.e. the Chief Executive, to chair the Court. With his onerous duties and heavy commitments, it is extremely unlikely that the Chief Executive would be able to fulfill this role. The Review Committee therefore recommends that a Pro-Chancellor of the University should be appointed and should chair the Court. The current Ordinance includes the provision for a Pro-Chancellor who has authority to act for the Chancellor in his absence.

Recommendation 17

The University should establish a Court with a wide membership drawn from industry, commerce and the media. The primary function of the Court would be to further develop bilateral interaction with the Hong Kong community.

Recommendation 18

The University should appoint a Pro-Chancellor who will act for the Chancellor in his absence and would chair the University Court.

The Senate

87. The Senate is a large body of over 80 members and most of its business is delegated to the faculty and school boards or its standing committees. The consultation process revealed no firm views concerning its role and size. The two alternatives are to retain the current structure with its large composition, with the understanding that it will largely act as a debating chamber for major

academic issues and for more urgent academic decisions to be taken by its sub-committees, or alternatively to drastically reduce its size and place more decision making responsibility on the Senate itself.

88. The Review Committee has considered these alternatives and believes that the existing role of the Senate as a forum for the discussion of wider and major issues of academic policy should be retained and that its size should not be reduced. The opportunity the Senate provides for the President to communicate with all the senior academic staff of the University is also considered to be extremely important.

Recommendation 19

The size of the Senate should not be changed as it serves as a useful forum for debate of wider and major academic issues and the academic decision process is well supported by a clear system of delegation to respective bodies.

The Management Board

89. No views were expressed in the consultation process on the role and composition of the Management Board and no proposals were made to change the present situation. The Review Committee believes that the role and composition of the Board is appropriate and should continue to be advisory to the President, since the latter is ultimately responsible to the Council for managing the University.
90. The Review Committee reiterates its view expressed in paragraph 4 above that any review of the management structure is the responsibility of the President. However, although the Review Committee recommends the *status quo* be continued for the Management Board, in terms of membership and general terms of reference, the Board's role will change if the recommendations on delegation are adopted. In future, the majority of all operational decisions will rest with the President and the Board, as the senior advisory body to the President, will be the final body for making recommendations on management issues.
91. The Review Committee is concerned by the number of sub-committees reporting to the Board. It notes that some of these appear overlapping in functions, for example there is both a "Staff Development Committee" and a "Committee on Staff Performance and Development". The Review Committee does not believe it is appropriate for it to make any specific recommendation on this issue believing it to be the responsibility of the President and his advisor, the Management Board. Nevertheless, it believes that the existing structure is too complicated and the number of sub-committees far too excessive. The possible consequences would be: overlapping of functions and responsibilities; wastage of manpower; bureaucratic red tape; and ultimately inefficiency. The

Review Committee therefore recommends that this structure be urgently reviewed by the President and the Management Board. It notes that the committee structure of the Management Board largely covers the four areas of staffing, space, finance and student issues and wonders whether there is merit in combining at least some of them under one, or more, of these four headings.

Recommendation 20

The President should consider reviewing the structure of the Management Board and its sub-committees.

CHAPTER 5 : GOVERNANCE AND THE FUTURE OF THE COLLEGE OF HIGHER VOCATIONAL STUDIES

92. Coincidental with the work of the Review Committee, a major issue has arisen within the University concerning the future of the current College of Higher Vocational Studies. As a consequence of the Government's decision to withdraw funding from the majority of the Associate Degree programmes, the Review Committee understands that a new self-financing College will be established to undertake the bulk of the work at the Associate Degree level. It also understands that the new College will be developed on its own campus and therefore physically separated from the University. Responsibility for monitoring all programmes offered at this level by Hong Kong institutions will be transferred from the UGC to a newly established Manpower Development Council under the Education and Manpower Bureau of the Government. A Working Group on the future provision of Associate Degrees has been formed by the Council to study this issue.
93. The question for the Review Committee is, in the light of these major changes, what future relationship will the new College have with the University?
94. There are essentially two models which can be adopted in such circumstances. The College can continue to be an integral part of the University, albeit treated as a separate financial entity, reporting to the same Council and subject to the same governance requirements. Alternatively, the College can be established as a separate legal organisation with its own governance structure.
95. There are pros and cons for both alternatives. If the College remains an integral part of the University, it can benefit from the existing academic structure and processes of the University. In particular, its programmes can continue to be accredited by the University Senate, possibly with a major degree of delegation to a College Board of Studies. This would pre-empt the necessity for the new College to submit its programmes for accreditation to the Hong Kong Council for Academic Accreditation. The Review Committee understands that staff of the existing College of Higher Vocational Studies believe this to be a major advantage of remaining under the umbrella of the University and would help ensure the continued high quality of their programmes. Existing staff also have an interest in remaining as members of the University. This gives them a status which is not afforded to staff teaching in other post-secondary Colleges in Hong Kong.
96. On the other hand remaining part of the University could involve higher costs for the College in view of the high University administrative and support costs; thus making it more difficult for the College to achieve and maintain its self-financing status.

97. In the longer term, a further possible disadvantage of remaining in the University is that the focus of attention of the institution, the Council and the management, would move more directly to the undergraduate, post-graduate and research activities with diminished attention paid to the development of the College. The College might then better be served by an independent governing body which could focus on supporting the College and help develop its work at the Associate Degree level; interacting directly with the new Manpower Development Council.
98. Continued links with the University, “as the parent of the child” could be maintained through agreements and memoranda of understanding linking the College to the University. The advantage of such an arrangement would be that such agreements could be reviewed and re-negotiated from time to time as the two institutions develop and grow.
99. This alternative is similar to the case of Melbourne University Private (MUP) which was established by the University of Melbourne as a private corporation limited by shares, with the University of Melbourne being the sole shareholder. The President of University of Melbourne is Chairman of the Board of MUP and members of the University serve on the Senate of MUP. There is an agreement between the two institutions for MUP to use the name and logo of the University of Melbourne which is subject to regular review by the University. The reason for establishing MUP was to promote and develop the outreach and revenue generating activities of the University but it is now developing in its own right as a private university. The reasons for establishing the new College are somewhat different but the MUP model could be used as a basis for establishing the College as an independent entity whilst retaining its link with the City University.
100. The Review Committee is unable to consider this matter further pending the recommendations of the Working Group on Associate Degree Programmes. It is anticipated that these recommendations may have a direct impact on the governance structure since they will involve both the academic and management structure of the future College and their relationship with the existing Senate, the Management Board and the University Council. The Review Committee would like to return to this issue when the report of the Working Group is available.

CHAPTER 6 : IMPLEMENTATION

101. The Review Committee has made 20 recommendations for reforming the governance structure of the University. It believes that given these reforms, there will be a much clearer definition and understanding of the respective roles of the Council and the management of the University. Some of these recommendations can be implemented immediately since they are within the current authority of the Council as defined in the Ordinance; some will require changes to the Ordinance which will take longer to achieve.
102. Since the majority of the recommendations relate to the Council, the Review Committee believes that the implementation of its recommendations should be the responsibility of the Council. The Review Committee believes it would be appropriate for the Council to establish a working group to oversee the process of implementation. Such a working group, and the Council, should have access to legal advice, particularly in relation to introducing changes in the current Ordinance and Statutes.
103. The working group will need to liaise with a number of existing committees who will themselves be involved in the implementation process. The Review Committee has attempted to identify the major tasks to be addressed in the implementation process and has listed these as follows:
- (a) Redrafting of the University Ordinance to incorporate the following changes:
 - the revised membership of the Council
 - revised authorities for appointing Council members and their term of office
 - (b) Establishing new, or reviewing existing, Council Committees with revised terms of reference and composition
 - Executive Committee
 - University Development Committee
 - Audit Committee
 - Staffing and Conditions of Service Committee
 - External Relations Committee
 - Nominations Committee
 - (c) Re-drafting statutes for the following:
 - the Court
 - the College if any changes to its positioning and relationship with the University vary from the present arrangement
 - the Management Board should the President recommend changes to its composition and terms of reference to emphasise its increased role in line with the greater degree of delegation from the Council and its Committees.

- (d) Role, Mission, Objectives
 - commence the dialogue with the UGC on a revised Role for the University
 - review the current Mission statement with associated objectives
 - identify key performance indicators for monitoring University performance
- (e) Other issues
 - compiling a new manual of delegated responsibilities to reflect and communicate the greater degree of delegation to the President following the revised roles of the Council and its Committees
 - introducing a new familiarisation programme for Council members
 - publishing a Code of Practice for Council members on the conduct of Council business and their roles and responsibilities as holders of public office.

CHAPTER 7 : SUMMARY OF RECOMMENDATIONS

104. The University has a truly enviable record for rapid growth, innovation and the provision of quality education at the highest levels. The Institution was conceived in 1983 as the City Polytechnic and enrolled its first 1,000 students in October 1984, having acquired and converted temporary premises in the heart of Mong Kok in the interim. The pace of development continued to increase and the first phase of its permanent campus was occupied in 1988 by which time the population had risen to some 4,000 students. The Institution continued to prosper and grow and attained full status as a University in 1994 by which time the student population had reached 13,000 FTEs and the University was offering a full range of programmes from sub-degrees to PhDs. The University is now recognized as one of the leading universities in the region and has developed an enviable reputation for both the quality of its academic programmes and its research achievements.
105. All this is testament to the quality of the past governance and management of the University and the Review Committee wishes to register its recognition of these achievements and the quality of the direction and management provided by the previous Councils and senior staff of the Institution.
106. Hong Kong and its universities are now entering a new era and are facing an unparalleled set of challenges. These arise from changes in the local economy, the growing influence of the Mainland, the growth in multi-national competition, rapid advances in technology and the need to prepare our students for careers characterized by the need to adapt and change and to pursue a programme of lifelong learning. The Review Committee therefore sees its task as proposing a governance structure able to meet these challenges; in the words of the Sutherland Report, ensuring that it is “fit for purpose”. The recommendations in this report are offered in this spirit.
107. List of Recommendations
1. The Council should take direct responsibility for the development of the Mission and setting the strategic directions of the University. The Mission should be reviewed periodically and revised in response to changes in the community.
 2. The Government through the UGC should review the current Role of the University in the light of the economic development of Hong Kong which has occurred in the last decade. Any revision of the Role should, if possible, be agreed between the two parties by means of a dialogue between the UGC and the University.
 3. A new Mission statement with specific objectives should be developed so that the performance of the University could be assessed from time to time.

4. There should be a clear delegation of management matters to the President, to avoid the Council becoming too involved in operational matters. The rules for delegation should be clearly understood by all concerned.
5. The monitoring of the management and operation of the University by the Council should be facilitated by the development of agreed key performance indicators.
6. The University should explore means to involve lay Council members more fully in the development and activities of the University and to provide opportunities for them to promote the work of the University within the community.
7. Council membership should be reduced to a total of not more than 20 and there should be a clear majority of external members, which could possibly be achieved by reducing the number of internal members to 5.
8. The internal membership of the Council should comprise :
 - President
 - Deputy President
 - 2 staff elected by staff
 - 1 student elected by students

The Council should have the right to request the presence of senior staff of the University when it considers appropriate.

9. A Code of Practice for Council members should be published outlining their role and responsibilities together with those of the Council itself.
10. The Council should form an ad-hoc Nominations Committee to recommend individuals for membership of Council. The Committee should consult with Government on its proposed nominees before making its recommendations to the Council.
11. Council members should be appointed for a 4-year term and normally for two consecutive terms. Longer terms of office, i.e. greater than 8 years, should not be precluded for special cases.
12. The University should establish a University Development Committee in place of the Estates and Development Committee and Finance Committee. It should be tasked with working with the President to review the mission and strategic directions of the University and to determine major policies in relation to the allocation and deployment of resources.
13. The University should establish an audit committee, with membership consisting exclusively of lay Council members, reporting directly to the Council. It should be tasked with monitoring the performance of management in providing value for money and in carrying out executive

decisions that are in keeping with the mission and strategic directions set by the Council.

14. The Staffing and Conditions of Service Committee should be retained with increased responsibilities. It should review and make recommendations to the Council on the staffing and manpower policies of the University including remuneration and conditions of service of staff, staffing levels and appointment procedures.
15. In place of the present Donations Committee, the University should establish an External Relations Committee to advise the Council on all aspects of the relationship of the University with the community.
16. The Executive Committee of the Council should be retained with revised Terms of Reference and Constitution changed in view of the proposed new Standing Committee of the Council.
17. The University should establish a Court with a wide membership drawn from industry, commerce and the media. The primary function of the Court would be to further develop bilateral interaction with the Hong Kong community.
18. The University should appoint a Pro-Chancellor who will act for the Chancellor in his absence and would chair the University Court.
19. The size of the Senate should not be changed as it serves as a useful forum for debate of wider and major academic issues and the academic decision process is well supported by a clear system of delegation to respective bodies.
20. The President should consider reviewing the structure of the Management Board and its sub-committees.

Appendix 1

**Review Committee on
University Governance and Management**

Membership:

Chairman	:	The Hon Mr Justice Patrick Chan
Members	:	Mr Victor Cha Mr Vincent Chow, JP (Council member) Mr John Lee, JP (Council member) Sir Eric Ash, CBE, FREng, FRS (special member)
Secretary	:	Mr John Dockerill
Assistant Secretary	:	Miss Beatrice Lee

Appendix 2

Review Committee on University Governance and Management

Part I : Consultation with Stakeholders : Questions on Governance

The Review Committee is aware that the various groups of stakeholders, while having a primary interest in governance issues, may wish to express their opinion or views on areas of particular interest to them. The questionnaire was designed with this in mind and a slightly different version was designed for each group. The following is the questionnaire sent to all Council members which serves as a sample. The exact questionnaires to the various groups are not reproduced.

Sample Questionnaire

Dear Council members,

This questionnaire is not meant to be exhaustive. If there are any other issues concerning the Governance of the University which you feel need to be addressed please pass on your views to the Review Committee.

Council Secretariat

The Committee has looked at several models of Governance and believes that the major feature of good governance is to establish a clear delineation of the respective roles of the governing board (the Council) and the chief executive (the President). The model which finds favour with the Committee vests the Council with total authority and total accountability for the institution and for determining its mission and strategic direction. The President is the single point of delegation for the Council and is accountable for meeting all the Council's expectations for organizational performance. As a consequence the Council is required to delegate to the President all the authority necessary to meet the Council's expectations.

- 1. How, in your view, does the present governance of the University compare with this model?*

The ultimate responsibility for the institution rests with the Council including fiduciary responsibility for the academic integrity and financial health of the University. For practical reasons, the Council has the power to delegate but is ultimately responsible for the proper functioning of the University. Hence the Council must retain the right to question, challenge and sometimes override decisions and/or proposals.

2. *Do you believe that the roles and the responsibilities of Council are fully understood by members of Council and the members of the University?*
3. *Has the Council stated explicitly who has the authority for what kinds of decisions and are the delegated authorities reviewed from time to time?*

The practice in most universities worldwide is for the governing body to retain ultimate responsibility and authority for determining the mission and the strategic direction of the institution in consultation with the chief executive (the President). The present mission statement of the University was established in the mid 1990's.

4. *Do you believe that it is the Council's responsibility to determine the mission and strategic direction of the University?*
5. *Do you think the Council has been active enough in determining the strategic direction of the University?*
6. *The current vision and mission statements for the University were agreed in the mid 90's. Do you think they should be reviewed in the light of the major changes that have taken place in Hong Kong over the past seven or eight years?*

Funding for the University is coming under increasing pressure from the government and it is likely that the University will have to look for more sources of non-UGC income in the future. It will also be required to optimize its use of UGC funds and to become more cost-effective in its academic activities.

7. *What role do you see the Council playing in the new environment?*

8. *Does the Council have access to sufficient, accurate and up-to-date information, in the form of performance indicators, to enable it to contribute, together with the President, to solving some of the coming problems?*

The Association of Governing Boards (AGB) in North America has issued standards of good practice for governing boards. Their standards of good practice recommend that the board should reserve the right to review and ratify specific academic decisions, such as proposals to embark on new initiatives, adopt major new programmes or eliminate others.

9. *As members of Council, what is your view on the extent to which the Council should be involved in academic decisions?*

The AGB recommends that faculty, student and staff involvement in the work of the Council is most appropriate through membership on the standing or ad-hoc committees of the Council. They believe that they should not serve as voting members on the Council itself since this violates the principle of independence of judgment. Currently, the composition of the Council is as follows: the President, a maximum of 13 internal staff members, the President of the Student's Union, the Chairman of Convocation and 18 lay members.

Conversely it can be argued that staff and students' detailed knowledge of the University makes them useful as Council members. Perhaps what is more important is that they should understand – and periodically be reminded – that they are wearing a university and not a departmental hat.

10. *What are your views on the composition of Council?*
11. *Is the present Council too large?*
12. *Is the current representation of internal members of staff and students appropriate?*

The Review Committee is charged with the responsibility to review the University Governance and Management. The Committee feels that it is not appropriate for it to undertake a detailed review of the management structure, believing this to be the responsibility of the President. However, the Committee feels that it is appropriate for it to examine the work of the Council committees and other committees which are identified in the statutes, namely the Senate and the Management Board, since these are seen to be part of the governance of the University.

13. Do you have any views on the scope of the work of the Committee (please feel free to comment on any specific committee)?

The main standing committees of the Council are the Finance Committee, the Estates and Development Committee and the Staffing & Conditions of Service Committee. The Chairmen of these committees are all lay members. The terms of reference of these committees emphasize their strategic role, e.g. the Finance Committee is charged to make recommendations to Council on the long term financial planning for the University. However, an examination of the work of the committees suggests that they spend a good deal of their time dealing with operational, rather than strategic issues.

14. Do you believe this perception is true?

15. Do you believe that the Council committees adequately cover the work of the University?

16. Are there aspects of the work of the University, not covered by the Council committees, to which you feel you could contribute?

Most statements on Governance assume that the board has the sole responsibility to appoint and assess the performance of the chief executive. Most require the board to undertake this assessment on an annual basis against progress in attaining agreed goals and objectives. Conversely, since the effectiveness of the board and the chief executive are inter-dependent, the board should concurrently assess their own performance.

17. How do you think the Council could assess its own performance?

It has been proposed that the Council should establish an Audit Committee. It appears that there are two alternative models on the responsibility and work of an Audit Committee. The first charges the Audit Committee with the task of “auditing the University auditors”, i.e. selecting the external auditors to be appointed, agreeing the audit programme to be followed, reviewing the findings of the auditors and presenting their report to the Council together with the annual financial report.

The second model charges the Committee with the wider role of auditing the administration of the University and concentrates on the need for value for money audits. In this case the Audit Committee commissions such audits which can be undertaken either by the internal or independent external auditors. This second model is more in line with the recommendations of the Sutherland Report which states:

"The purpose of an audit committee, directly responsible to the governing body, is to monitor the performance of management in providing value for money and in carrying out executive decisions that are in keeping with the strategic direction set by the governing body."

In either model, one important role of the Committee is to check systems in place and to reduce the chance of fraud and to investigate instances of mal-practice, if they occur.

18. Which of the two models do you think most appropriate or should both be combined under the terms of reference of the Audit Committee?

Please add any other comments:

Review Committee on University Governance and Management

Part II : Consultation with Stakeholders : Summary of Views

Introduction

The consultation was undertaken in two stages. It began with a series of face-to-face interviews with the primary stakeholders identified. They are key officers of the Council, staff and student representatives and the Secretary-General of the University Grants Committee. Questionnaires were sent to the Council and the wider groups of stakeholders inviting responses and additional comments and feedback on any issues they would like to raise.

Summary

This report summarised the views or issues that emerged from the consultation.

1. Role of Governing Body and Management

It is agreed that the major feature of good governance is to establish a clear delineation of roles of the governing body (the Council) and the chief executive (the President). As the Council is vested with total authority and total accountability for the institution, it is the responsibility of the Council in consultation with the President to set the strategic directions, role and mission for the University. The Council should focus on matters of strategic importance and the President as the chief executive together with the senior management team should execute the strategies and policies formulated by the Council. The current structure by and large reflects that delineation of the roles of the respective bodies. However, it is noted that this separation of responsibilities should be emphasised especially when matters are deliberated further down the structure via the various committees. The difficulty of a clear delineation or possible blurring of the separation will be elaborated further in a later section.

Role of the Council

The Council has a fiduciary responsibility for the academic integrity and financial health of the University. The Council, however, at the moment is not involved at all in academic decisions. The majority view is that involvement in strategic academic decisions is entirely within the purview of the Council as the core business of the University is about education, research and pursuit of academic activities and scholarship. The Council as the supreme governing body of the University, has a legitimate interest and ultimate responsibility in this especially when the academic issues are related to the missions and strategic directions of the University. The extent and degree of involvement, however, should not be at the level of the management of specific programs. Furthermore, as the University is a publicly funded institution, the Council should satisfy itself that all financial resources are properly accounted for and justified. Hence, for

academic decision which bears financial implication, the Council should be thoroughly briefed on the purpose, rationale and expected outcomes.

Review role statement with UGC

It is also noted that the UGC, as the Government's funding agency, has an influence on the roles and missions of each of the funded tertiary institutions. At present, this is indicated in the role statement for each institution and reviewed in the light of the Academic Development Proposals. The environment in which the Higher Education sector operates has undergone significant changes and is facing more challenges in the immediate future, most notably in the way that funding would be provided and the role differentiation encouraged by the Government as espoused in its latest Education Blueprint. It is important that the role statement is reviewed with the UGC and for it to be revised in the light of changes in the operating environment.

Proactive in guiding strategic directions

The university sector will face reduction in public funding and there is increasing pressure for optimising the use of UGC funds and to look for more non-UGC income in future. The level of funding support obtained (from both UGC and non-UGC sources) will have an impact on the academic activities pursued by the University. The Council would need to play a more proactive role in guiding the strategic directions of the University, raising the visibility and profile of the University and in fund raising.

Review of governing body and management

On the issue of assessing the performance of the chief executive, the present arrangement is to carry out self-assessment from time-to-time and there is regular communication with the Chairman of the Council, although this has not been institutionalised. As the effectiveness of the governing body and the chief executive are inter-dependent, the board should also concurrently assess its own performance. Once goals and objectives are set, clear performance indicators should be established against which monitoring can be undertaken. Other suggestions include providing a report on the monitoring of performance annually or at a triennial interval.

2. Size and Composition of the Council

At present, the Council comprises the President, a maximum of 13 internal staff members, the President of the Students' Union, the Chairman of Convocation and 18 lay members. This composition does not give a clear majority of lay members in the Council. The busy schedules of the lay members can prevent them from attending the Council meetings. On the other hand, internal members are always able to attend the meetings as they are held on campus. It has been noted that the absence of a small number of lay members can result in the internal members forming a majority. This, in turn, could possibly result in bias in the Council's deliberations. There is a general consensus that the size of the

Council can be reduced by reducing the number of both lay and internal members, with the lay members forming a clear majority.

Lay members are drawn from various sectors of the community and they serve on an honorary basis on Council and therefore should not have any vested interest in University matters. For the Council to be effective, there should be a greater number of independent and unpaid members. As Council focuses mainly on strategic issues and detailed management would best be delegated to the senior management team, internal members being a “minority” in Council would not hinder the operation of the University.

Internal members should include representation from all quarters of the University community, namely, staff, students and management to ensure that there would be sufficient interaction and exchange of ideas in pursuit of the mission of the University. The number of internal members can be reduced by reducing the number from the management team as currently, the maximum of 13 include 10 who are at the Deans level and above and only 3 elected staff members comprising one elected from and by Senate and two other elected by the whole staff body. Members of the management team, in particular, the Deans have multiple avenues (e.g. Faculty, Senate, Management Board, etc.) to express their views and concerns and do not necessarily require a membership at the Council. With regard to staff and student representation, both parties find it important to have adequate representation on Council as this provides a formal channel for them to voice their concerns and opinions to the governing body. There is a strong view expressed by staff that there must be adequate representation of staff, both academic and non-academic, and they should be directly elected.

It is important that the system of appointing Council members should enable people of good quality and with dedication to the University to join the Council. With the impending reduction in government funding and increasingly competitive operating environment for Higher Education, it would be desirable to have influential members to help with advocating the cause of the University and soliciting support and sponsorship from the community. To facilitate members’ understanding of University matters and development, orientations for new members should continue to be organised and retreats can be mounted periodically to apprise Council members on the developments and challenges faced by the University.

3. Council and its Committees

The Council has established sub-committees to assist it in its discharge of responsibility. There are three main standing committees: the Estates and Development Committee, the Finance Committee and the Staffing and Conditions of Service Committee. The current practice is for the administration to help put forward proposals or issues for deliberation at the Council’s committees.

It has been observed that the Council committees were often presented with issues which were more operational than strategic in nature. This might be due to the fact that there are more internal members who are inclined to attend to more operational matters. It has been suggested that this may also be attributed to the insufficient delegation of authority to management in certain areas. This situation may change if the composition of the Council is changed. There are views that the Council committees should ensure that management has the proper process in place to enable it effectively to deal with managerial issues at the operational level without getting the Council committees involved unduly in operational details.

New committees

In the recent Higher Education Review, the Sutherland Report recommended that consideration be given for the setting up of an Audit committee which should include external members and report to the governing body.

When consulted on the establishment of the Audit Committee under the Council, most agreed that such a committee should be set up and its role should not be confined simply to financial matters. There is a need for the University to entrust an appropriate body with the task to audit the administration of the University and monitor the performance of management in providing value for money. It is necessary to ensure that adequate checks and balances and the appropriate systems and mechanism are in place for the proper functioning of the University and to reduce the chance of fraud and eliminate malpractice. It should be carefully constituted and its role and scope of work be considered in relation to those of the Finance Committee to avoid overlap or duplication of efforts. In that regard, the terms of reference of the Finance Committee may need to be reviewed in tandem.

It also seems that there is a demand from the internal communities in universities to have proper channels and mechanisms for handling appeals or grievances particularly since the suggestion of the Ombudsman handling such matters was rejected by the UGC.

The Court

Some mentioned that as Council members would be expected to take on more proactive role in advancing the cause of the University and seek opportunity for funding raising or sponsorship of various kinds, it might be timely to establish the Court which can help with this increasingly important role.

4. Management Board and its Committees

It is observed that the Management Board (MB) functions as a cabinet and the President has the benefit of the advice of the MB and seek consensus in its deliberation. It has been commented that although MB is an advisory body, it should have some delegated powers on operational management issues. There is also a suggestion to reduce the number of MB members to 11 or 13. There are 18

sub-committees under MB and many felt that the number of committees can also be reduced and some can be merged or regrouped with some of the responsibilities given to the manager/officer in charge.

5. Senate

The current size of Senate (85 members) is considered too large to be an effective decision making body. A body of that size can serve as a forum for discussion and debate of academic matters while most decision-making is carried out in its standing committees. If the Senate were to act as a deliberative body with drafting and decision-making functions, it would need to be a much smaller body. Suggestions to reduce the number of members of the Senate include reducing the number of Chair Professors on Senate since at present, there are about 60 Chair Professors in the University and all are automatically members of Senate; heads of departments need not be ex-officio members of the Senate.

6. System for Appointment and Promotion

In general, the existing three tier system of appointment and promotion is felt to be appropriate as it ensures that some parity and standard be maintained across the various disciplines. Concerns, however, have been raised regarding the inadequate communication between management and staff about the rationale for certain procedures, especially in cases of re-appointment and non-renewal. The management team is in the process of reviewing the academic staffing procedures and careful consideration and modification to the existing three tier system has been proposed. It is anticipated that the revised system can address the inadequacy of the current system as identified in the Independent Committee report and consultation with staff be undertaken before being recommended for implementation.

7. Term of Office for Deans or Head of Departments

The prime responsibility for the academic (teaching and research) performance of a department rests with the Head of Department and the Dean. Currently, Heads and Deans are appointed for a period of 3 years which is felt to be rather short, although it can be extended for another term. An alternative period of appointment for 5 years with another term for 5 years is proposed. There is no consensus on which options should be favoured. Some comments suggested another option of retaining the 3 year period of appointment with three terms of office allowed.

8. General

The Sutherland Report recommends that “a small number of institutions be strategically identified as the focus of public and private sector support to enhance their capability to compete at the highest international levels”. None

agreed to this idea as it is felt very strongly that excellence can and is often demonstrated at the departmental level rather than at the institutional level. It is often the department or a research centre which gains international recognition and it is not necessary for the entire institution to be classified in this way. This certainly has an impact on the consideration by the governing body in forging the way forward for the University and guiding the strategic directions of the University.

Appendix 3

Profile of the University

To construct a profile of the University, the Review Committee examined a variety of sources of statements on University objectives including the strategic plans, annual reports, etc. It also studied a range of performance indicators and statistics on students, staff, teaching and research programmes. The following summarises its general findings from which it was able to appreciate more clearly the University's role and mission. The information presented is based on the latest year for which the data is available.

Strategic Plans

The University has prepared two strategic plans since the current President took up his employment. The first covered the period 1997 to 2002 and adopted the acronym AURORA which identified the six main themes of the plan. These were:

Ambiance

To improve the physical and intellectual ambiance of the University

Undergraduate

To emphasise that undergraduate education is the cornerstone of the University and to improve the educational experience of undergraduates through the adoption of the credit/unit system

Research

Expounding the philosophy of "walking on two legs", i.e. teaching and research go hand in hand and good research stimulates good teaching

Outreach

Emphasising the role of the University in the community

Reward

Promoting the philosophy that good performance should be rewarded and vice-versa.

Accountability

Recognising that the University is accountable to the community and should be providing value for money in all its endeavours.

The second strategic plan covers the period 2003 to 2008 and is entitled "Meeting the Challenge of Change". The plan identified the following major themes:

Priorities for Education

Preparing undergraduates for the fast-changing world of work.

Broadening entry to the undergraduate programmes to give a "second chance" to those who have failed to gain direct entry as school leavers.

To develop the College as a financially viable unit with increased autonomy.

Develop high-valued, advanced professional programmes.

Building Research Excellence

Focusing available resources on priority areas for applied research

Nurturing young research talent

Extend collaboration with business partners to commercialise research results

Building an Infrastructure for research and education

Improving the physical facilities on campus and to enrich the environment for student learning by making the maximum use of information technologies.

Looking to the future

Align the University at the hub of a spreading regional and international network of professional education and applied research, at the service of a leading city in China with increasing links to the knowledge-based global community.

1. Student Intake and Quality

The distribution of students amongst the local universities is presented in Figure 1.

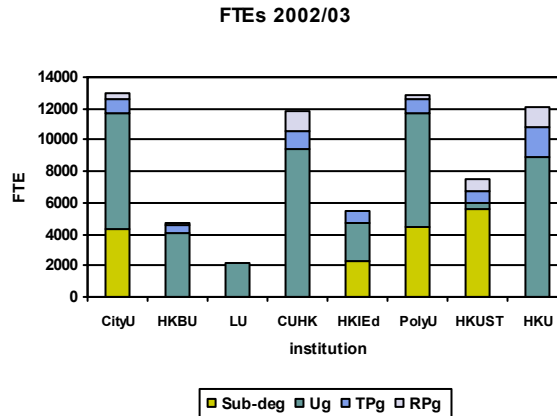


Figure 1 distribution of FTEs by level

The chart shows that the University is the largest in Hong Kong in terms of student numbers. Its distribution of FTEs (full-time equivalent students) follows the role prescribed by the UGC and is almost identical to that of the Polytechnic University. Its proportion of taught postgraduate and research students falls significantly below those of the older universities.

Figure 2 shows one measure of the quality of the degrees amongst the Hong Kong institutions. This is based on the scores obtained by applicants in the public examinations. These statistics are published by the UGC and score the best 2 AL, or 1 AL plus 2 AS levels. The scores used for the various grades are A=1, B=0.8, C=0.6, D=0.4, E=0.2.

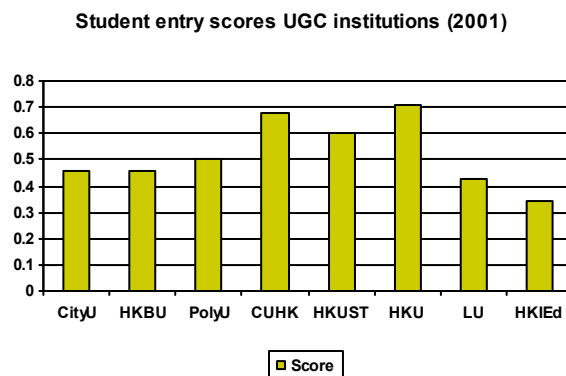


Figure 2 Entry score for degree students

The figure clearly shows the gap in this measure of quality between HKU, CUHK, and HKUST and the other institutions; with CityU, PolyU and HKBU forming a second grouping. The average entry score for CityU indicates the average student scoring slightly better than 2 D's.

These differences relate to the quality of intake. It is more difficult to compare the quality of output, e.g. the University graduates. The only measure of output reported by the UGC is the average remuneration of University graduates. Although there are significant differences across the various disciplines, there are not wide discrepancies amongst institutions and CityU graduates receive starting salaries close to or above the overall average. Starting salary is a measure of the worth attributed to the university graduate by society. It could therefore be argued that the “value added” to the student at CityU is greater than those institutions enjoying a higher quality of student intake. It is evident from other information available to the Review Committee that CityU has placed great emphasis on the “whole person development” of its students. The employment success of its graduates could also be partly a reflection of this emphasis.

Figure 3 shows the distribution of HKAL scores within the University. The figure shows the Faculty of Business recruits better qualified students with an average score of 0.5.

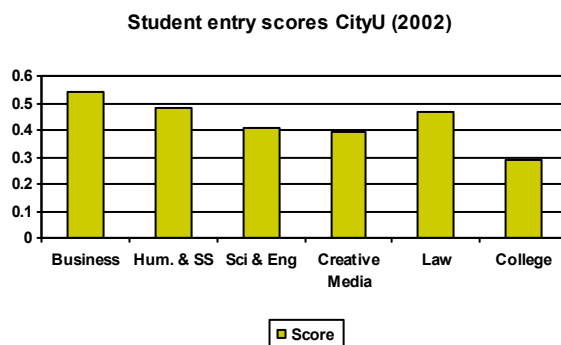


Figure 3 Entry score for degree students within the University

2. Student Distribution by Discipline and Level

Figure 4 shows the distribution of students amongst the various faculties and schools. The College shows the greatest enrollment with some 33% of the FTE population studying at the sub-degree level. The Faculties of Science & Engineering, Business and Humanities contribute 28%, 21% and 13% respectively to the overall population. The two Schools of Law and Creative Media are small by contrast and together comprise some 5% of the population.

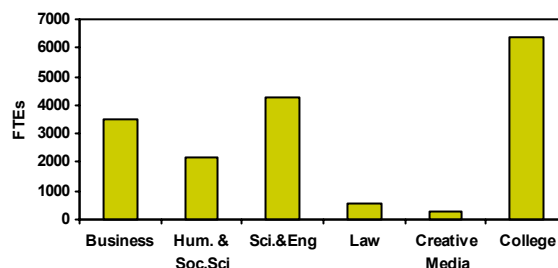


Figure 4 Student distribution by Faculty/School

Table 1 shows the distribution of students by level within each academic unit projected for 2003/04. The figures include self-financing programmes and demonstrate the overall prominence of the undergraduate populations but there are some significant differences amongst the faculties and schools.

	Business	Humanities & Social Sci.	Science & Engineering	Law	Creative Media	College
Sub-deg	0	0	0	36	75	6359
Ug	2767	1873	3237	187	185	0
PgT	660	204	561	331	36	0
PgR	97	74	456	9	5	0
Total	3524	2151	4254	563	301	6359

Table 1 Distribution of FTEs by level projected for 2003/04

The Faculty of Science and Engineering have the largest postgraduate research population with over 400 FTEs studying at this level. This is over twice the size of all the other units combined. Law has more students studying postgraduate than undergraduate programmes.

The distribution of students by discipline within the faculties is shown in Figure 5.

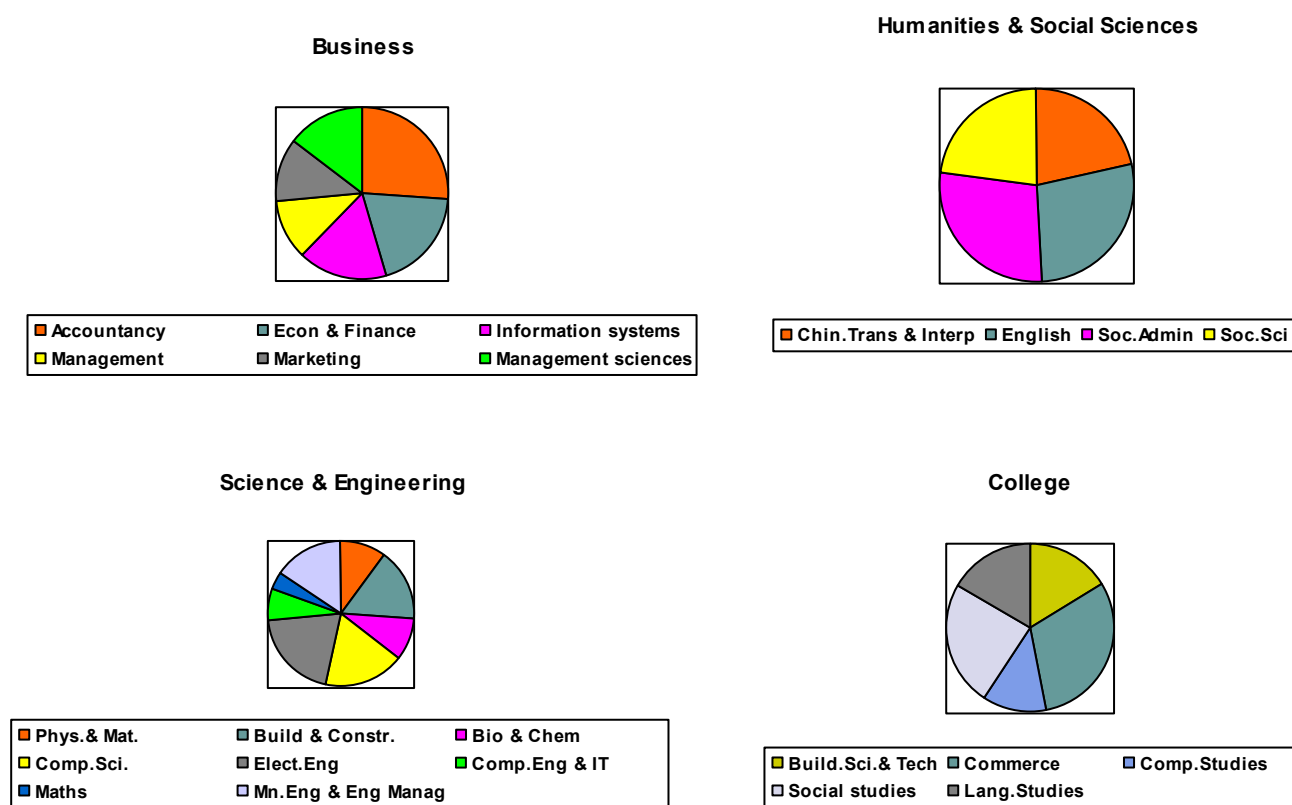


Figure 5 Distribution of FTEs by discipline areas Faculties and College

The Faculty of Business covers a range of disciplines including accountancy, management, economics & finance and information systems. Humanities covers four disciplines, namely English, Chinese Translation & Interpretation, Social Administration and Social Sciences. The Faculty of Science and Engineering is the largest faculty and covers eight disciplines including building, physics & materials, computing, information technology and electronic engineering. The College has five divisions including building technology, computing and language studies.

3. The Credit Unit System

The University Strategic Plan for 1998 to 2003 stressed the development of the credit unit system as the cornerstone for its undergraduate programmes. The structure of the system called for students to supplement their core discipline studies with three additional components. The first was a requirement for all students to take credits in language studies. Predominantly these involved a study of English to improve the student's level of performance above that obtained in the HKAL Use of English examination. Students were also required to obtain credits from the study of Out of Discipline courses, i.e. outside their core discipline. Finally all students were required to take six credits in Chinese Civilisation courses designed to improve their knowledge and understanding of the history and development of their homeland.

The credit unit system is a genuine attempt to broaden the study of the students and to strengthen their understanding of issues outside the traditionally narrow range of discipline studies. It works hand-in-hand with the development of co-curriculum studies which expose students to issues outside their academic studies. These include, for example, the development of leadership skills, the introduction of an executive mentoring scheme, sports excellence programmes, etc.

4. Academic Staff and Research

The distribution of academic staff numbers is shown in Figure 6.

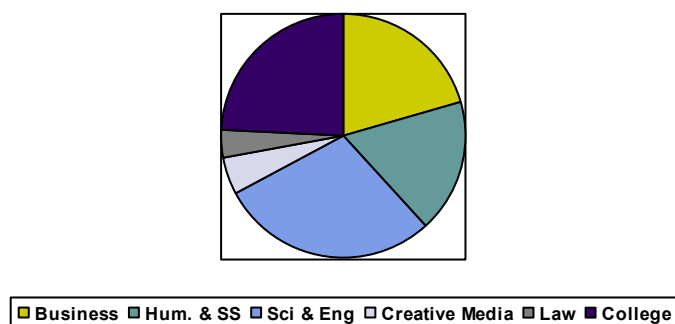


Figure 6 Distribution of academic staff (2002/03)

The Faculty of Science & Engineering has the largest number with some 240 staff engaged in research and teaching. Figure 7 shows the mix of staff by level of qualification.

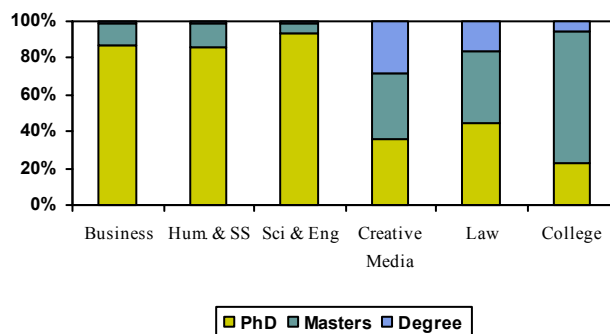


Figure 7 Mix of staff by qualification (2002/03)

The figure shows that the faculties have a very high proportion of staff with PhDs (around 90% overall) with Science & Engineering at around 95%. The lower proportion of PhDs in the Schools reflects the nature of the disciplines involved. The College proportions reflect the fact that College staff are predominantly teachers and not expected to engage in research.

The research performance of the University is illustrated in Figure 8. CityU ranked 4th in the 2002/03 Competitive Earmarked Research Grants (CERG) exercise with a total award of some HK\$60 million. The figure illustrates the extent to which the five major universities dominate this exercise.

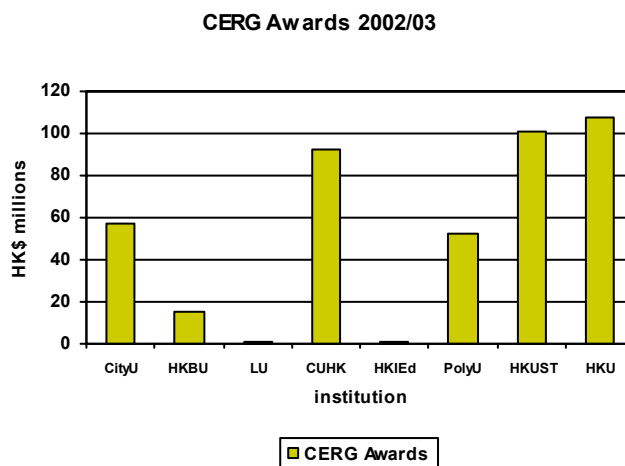


Figure 8 Distribution of CERG awards for 2002/03

The distribution of all research grants within the University is illustrated in Figure 9. This shows that the Faculty of Science & Engineering predominates obtaining over 75% of the funds allocated.

Research Grant distribution

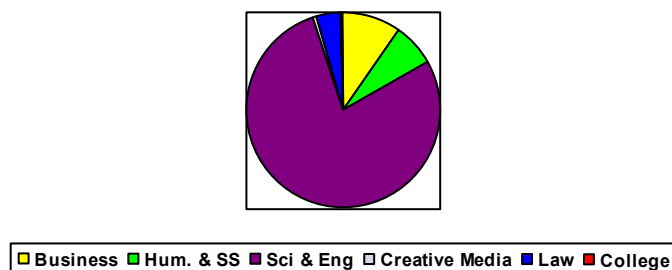


Figure 9 Research grant distribution from all sources (2001/02)

This predominance is partly a reflection of the higher cost of conducting research in the science and engineering disciplines. However, it is also a reflection of the strength of the University in these areas. This is perhaps better illustrated by Figure 10 which shows the number of refereed items published per member of staff and again shows the relative strength of the science & engineering disciplines with humanities & social sciences running a close second.

Refereed items

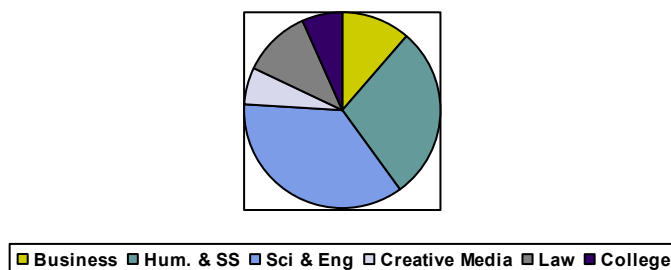


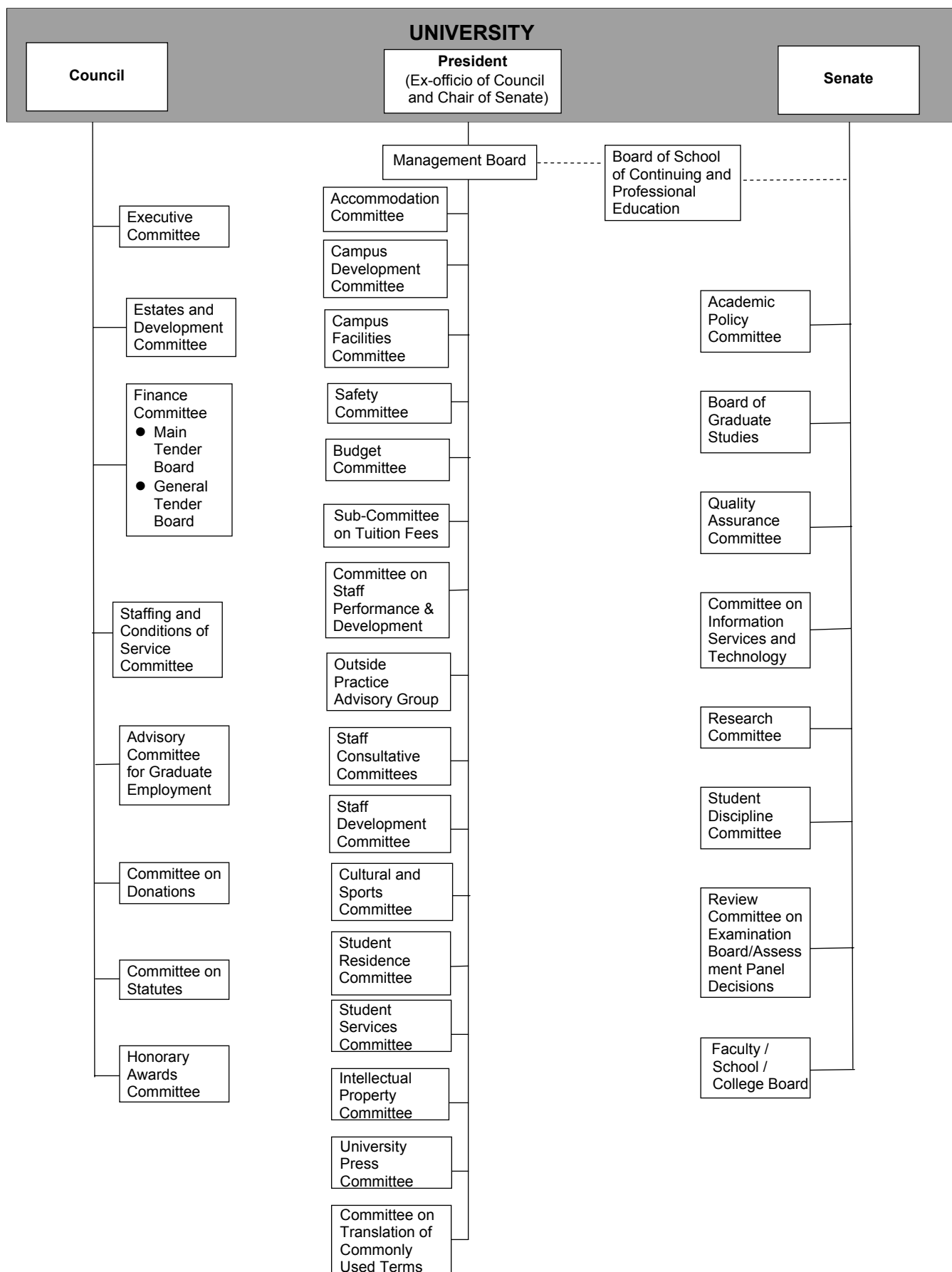
Figure 10 Refereed items per staff member (2001/02)

5. Niche area

Possibly the most important innovation in the University curriculum over the past few years has been the introduction of the School of Creative Media. This was conceived as a means of integrating creative ability with the application of the latest developments, particularly in media technology. Looked at more broadly, and bearing in mind the mix of disciplines and the philosophy of the credit unit system, the University can be seen to be combining studies of the latest technologies with the more traditional humanities. The credit unit system is ensuring that students are exposed to both and leave the University with an education broad enough to enable them to cope with several possible career changes during their lives.

In research the University has developed several areas of excellence and has introduced eminent scholars from around the world, including a total of 13 academicians, to foster a rich environment for the development of the research skills of young staff.

**City University of Hong Kong
Committee Structure**



City University of Hong Kong

Council Committees : Terms of Reference and Composition

1. Executive Committee

Terms of Reference

- (a) To give initial consideration on behalf of the Council to any development proposals consonant with the objectives of the University.
- (b) To keep under review on behalf of the Council the implementation of developments for which provision has been made by the University.
- (c) To consider and take action on behalf of the Council, when a meeting of the Council is not imminent, on any matter normally considered by the Council, with the exception of matters which are precluded from delegation by the Ordinance. Such action shall be reported at the next regular meeting of the Council.
- (d) To deal on behalf of the Council with all contractual matters personal to the post of President and Deputy President, and to make recommendations to the Council where appropriate.
- (e) To advise the Council on any matters referred to it by the Council or any Committees of the Council.

Composition

Chairman

Chairman of the Council

Members

Deputy Chairman of the Council

Treasurer

President

Chairmen of Committee on Donations, Estates and Development
Committee, Finance Committee, and Staffing and Conditions of
Service Committee, unless otherwise members

Secretary

Secretary to Council

2. Committee on Donations

Terms of Reference

- (a) To advise and make recommendations to the Council on all matters relating to the securing of funds from non-government sources.
- (b) To enhance the University's public profile, and to strengthen its ability in raising funds from non-Government sources to support the development of the University.
- (c) To develop strategies for fund raising and to identify possible sources including individuals and corporate bodies.
- (d) To monitor the deployment of the funds raised and to ensure that the purposes for which such funds have been set up are met, and that the donors are kept informed of the progress and accomplishment of the projects supported by these donations.
- (e) To receive and accept on behalf of the Council donations over HK\$1 million.

Composition

Chairman

A member of the Council from amongst those appointed under section 10(1)(f) of the University Ordinance

Members

Three lay members of the Council
President
Vice-President for Administration

Secretary

Director of Development and Alumni Relations Office

3. Committee on Statutes

Terms of Reference

- (a) To review the University Statutes and to recommend any changes or additions to Council for approval.
- (b) To propose any changes to the City University Ordinance required as a result of modifications to the Statutes.

Composition

Chairman

A member of the Council from amongst those appointed under section 10(1)(f) of the University Ordinance

Members

One Council member
Two Senate members
Two Management Board members

Secretary

Secretary to Council

4. Estates and Development Committee

Terms of Reference

- (a) To advise and make recommendations to the Council on the master plan and major capital projects for the development of the University campus.
- (b) To review and monitor progress in the implementation of the master plan and major capital projects and make recommendations regarding the modification of the same if necessary.
- (c) To make recommendations to the Main Tender Board on the appointment of consultants and contractors for major capital projects of the University.
- (d) To advise and make recommendations to the Council in consultation with the Finance Committee on all matters relating to the acquisition, erection and disposal of lands and buildings.
- (e) To advise the Council on any matters relating to the University estate referred to it by the Council or any Committees of the Council.

Composition

Chairman

A member of the Council from amongst those appointed under section 10(1)(f) of the University Ordinance

Members

President

Such other members of the Council as may be designated by the Council

Secretary

Director of Campus Planning

5. Finance Committee

Terms of Reference

- (a) To advise and make recommendations to the Council on the long range financial planning for the University.
- (b) To advise and make recommendations to the Council on the annual budgets of the University.
- (c) To receive reports and advise the University on the financial performance of its operations and capital projects.
- (d) To advise and make recommendations to the Council in consultation with the Estates and Development Committee on financial matters relating to the acquisition, erection and disposal of lands and buildings.
- (e) To advise and make recommendations to the Council on the investment of funds, appointment of investment managers and arrangements for borrowing monies for any purpose.
- (f) To monitor the Board of Trustees' management of the superannuation schemes and to be responsible for the organization and management of any superannuation arrangements agreed by the Council.
- (g) To monitor the preparation of an annual financial report of the University for presentation to the Council.
- (h) To make recommendations to the Council on the appointment of Auditors.
- (i) To advise the Council on the financial implications of any matters referred to it by the Council or any Committees of the Council.

Composition

Chairman

Treasurer

Members

President

Such other members of the Council as may be designated by the Council

Secretary

Director of Finance

6. Staffing and Conditions of Service Committee

Terms of Reference

- (a) To advise generally and make recommendations to the Council on the terms and conditions of service of staff in the employ of the University.
- (b) To advise the Council on any matters relating to the remuneration or conditions of service of any individual staff member referred to it by the President or the Council.
- (c) To deal with such disciplinary matters as may be referred to it by the President and to advise and make recommendations to the President on such matters.

Composition

Chairman

A member of the Council from amongst those appointed under section 10(1)(f) of the University Ordinance

Members

President

Such other members of the Council as may be designated by the Council

Secretary

Director of Human Resources

7. Honorary Awards Committee

Terms of Reference

- (a) To make recommendations to the Chancellor for the conferment of honorary awards, including honorary degrees, in the name of the University.
- (b) To determine the individual titles of honorary awards to be conferred.

Composition

Chairman

Chairman of the Council

Members

Members of the Executive Committee
Two academic staff nominated by the Senate.

Secretary

Secretary to Council

8. Advisory Committee for Graduate Employment

Terms of Reference

- (a) To advise the President, the Council and the Senate, as appropriate, on matters relating to student employment and graduate employment.
- (b) To promote employment opportunities for the University's graduates by maintaining appropriate liaison with the Hong Kong community.
- (c) To advise the President and the Student Development Services, as appropriate, on careers counselling activities.
- (d) To present an annual report to the Council and to the Senate on the activities of the Advisory Committee.

Composition

Chairman

A prominent figure from commerce/industry

Members

One representative from each of a number of designated public bodies concerned with graduate employment, namely:

Hong Kong Government, Civil Service Bureau
Employers' Federation of Hong Kong
Federation of Hong Kong Industries
Hong Kong General Chamber of Commerce
Hong Kong Council of Social Service
Chinese Manufacturers' Association of Hong Kong
Chinese General Chamber of Commerce
Hong Kong Institute of Human Resource Management

Up to five individuals from local industry and commerce, invited in their personal capacity, preferably Personnel Managers

A member of the University Council selected from amongst those appointed under section 10(1)(f) of the University Ordinance

A representative from the City University of Hong Kong Alumni Association

Director of Student Affairs, The Hong Kong Polytechnic University

Seven University staff, namely:

President (Deputy Chairman of the Committee)
Three academic Heads of Departments, nominated by the President
and appointed by the Senate
Dean of Students
Director of Student Development Services
Associate Director of Student Development Services (Counselling)

Two students nominated by the Students' Union

One postgraduate student nominated by the CityU Postgraduate
Association

Secretary

A member of the Student Development Services nominated by the
Director of Student Development Services

Appendix 5

Bibliography

- AGB statement on institutional governance and governing in the public trust: external influences on colleges and universities.* (2001). Washington, D.C.: Associate of Governing Boards of Universities and College.
- Carver, J. (n.d.). *The policy governance model*. n.c.: Author. Retrieved March 5, 2003 from <http://www.carvergovernance.com/model.htm>
- Chance, W. (2000). *Steady progress: Higher education governance in Colorado at the dawn of the 21st Century (A report to the Colorado Department of Higher Education, in response to HD99-1289)*. Mount Olympia, Washington: Northwest Regional Education Center (NORED). Retrieved March 6, 2003 from <http://alumni.fortlewis.edu/Publications/nored.pdf>
- Committee of University Chairmen. (2001). Summary of responsibilities of members of governing bodies. In *Guide for members of governing bodies of universities and colleges in England, Wales and Northern Ireland*. UK, Bristol: Higher Education Funding Council for England. Retrieved March 6, 2003 from <http://www.shef.ac.uk/cuc/guide/11.html>
- Corporate governance.* (2001). Singapore: Deloitte & Touche.
- Governance effectiveness 'Quick Check'.* (2000). Institute on governance. Canada, Ontario: Community Arts Ontario. Retrieved March 5, 2003 from <http://www.artsonline.ca/pdf02/LITAChecklist.pdf>
- Governance.* (2002). UK, London: The Public Sector Benchmarking Service.
- Ingram, R.T. (1997). *Trustee responsibilities: A guide for governing boards of public institutions*. Washington, D.C: Association of Governing Boards of Universities and Colleges.
- Massy, W. F. (2003). *Honoring the trust: Quality and cost containment in higher education*. Bolton, MA: Anker Publishing.
- Meeting the challenge of change: Strategic Plan 2003-2008* (2002) Hong Kong: City University of Hong Kong
- Moving forward - A guide to improving corporate governance through effective internal control.* (2003). n.c.: Deloitte & Touche.
- Ostrom, J. S. (1996). *The audit committee*. Washington, D.C.: Associate of Governing Boards of Universities and College.

Paul, R. (1998). *Best of both worlds: A blueprint for the affirmation and renewal of the University of Windsor*. Canada, Windsor: University of Windsor.

The Audit Committee Guide Review Task Force of The HKSAR Corporate Governance Committee. (2002). *A guide for effective audit committees*. Hong Kong: Hong Kong Society of Accountants. Retrieved June 10, 2003 from <http://www.hksa.org.hk/publications/audit/audite.pdf>

The company director's toolkit. (2002). Singapore: KPMG.

Towards a new era of excellence: Strategic plan for 1997 – 2002. (1996). Hong Kong: City University of Hong Kong.

University and Polytechnic Grants Committee. (1993). *Higher education 1991 – 2001: An interim report*. Hong Kong: Government Printer.

University Grants Committee. (1996). *Higher education in Hong Kong: A report by the University Grants Committee*. Hong Kong: Government Printer.

University Grants Committee. (2002). *FACTS and FIGURES 2001*. Hong Kong: Government Printer.

University Grants Committee. (2002). *Higher education in Hong Kong, Report of the University Grants Committee*. Hong Kong: Government Printer.