

## **Minister for Tertiary Education**

### **Statement of Expectations – to assist the members of Tertiary Education Institution councils**

#### **Introduction**

This statement is intended to clarify the expectations that the Minister has of those individuals appointed to tertiary education institution councils. They do not seek to usurp or replace the obligations of councils under the Education Act 1989. Council members should be aware of the provisions of the Act, especially sections 180-182 on the functions and duties of councils. Amendments made to the Education Act by the Education (Tertiary Reform) Amendment Act 2002, from 1 January 2003, brought into effect a new environment for the tertiary education sector in New Zealand and all council members should be familiar with those provisions.

A council carries responsibility for ensuring the effective management of the institution and for planning its future development. It has the ultimate responsibility for all the affairs of the institution. Council members need to be aware that, while a council determines the overall strategic direction, it does not run the institution. The chief executive is responsible for the executive management of the institution and its day to day direction. The chief executive is, however, an employee of the council, must implement the council's decisions, and is answerable to the council for his/her performance.

Councils are entrusted with public funds and therefore have a particular duty to fulfil the highest standards of corporate governance at all times. Council members should bear in mind, however, that section 183 of the Education Act 1989 provides that:

“no member of the council of an institution is personally liable for any act done or omitted by the member or the council:

- in good faith; and
- in pursuance or intended pursuance of the functions of the institution or of the council.”

The membership of a council is specified by the Education Act 1989, with the details noted in an institution's constitution of council, published in the New Zealand Gazette. In each case four members are directly appointed by the Minister of Education and other members are appointed/selected from a variety of different sources. The list of expectations set out below is not a list of explicit rules for the appointees of the Minister only. Rather it is a clarification of how the Minister considers that individual members should tailor their personal contribution to the Council. If the guidelines are followed, and occasionally amended to fit particular circumstances, the Council will collectively be acting in the best interests of its institution.

## **Minister's Expectations**

It is expected that all members of Tertiary Education Institution Councils will, to the best of their ability:

- a) comply with all relevant statutory requirements;
- b) ensure that the institution undertakes sound strategic and business planning in accordance with its charter, once approved by the Minister;
- c) ensure that the strategy of the institution is in alignment with the Tertiary Education Strategy;
- d) ensure that the Council appropriately directs the chief executive of the institution and holds the chief executive accountable for performance with explicit and measurable performance criteria;
- e) ensure that the institution provides the Minister and officials with the information necessary to monitor the performance of the institution;
- f) ensure that the institution adopts sound organisational and financial management practices so as to safeguard and enhance the country's investment in the institution and optimise the institution's expenditure in accordance with its annual business plan;
- g) encourage the institution to actively explore ways in which greater co-operation and collaboration with other tertiary institutions can be achieved to the benefit of all institutions involved;
- h) ensure that the institution works with iwi Māori and Māori communities to achieve Māori educational development aspirations and provides an environment in which Māori students are encouraged and supported to succeed;
- i) ensure that the institution adopts a sound risk management strategy for all facets of its activities;
- j) ensure that the institution implements an internal audit function that includes unfettered reporting of findings to Council;
- k) ensure that the institution and Council implement appropriate mechanisms for communicating and working with key stakeholder groups including the student body, staff, the wider community, the Ministry of Education, Tertiary Education Commission, other education agencies, other departments, and other tertiary institutions and schools;
- l) participate in an annual Council member performance appraisal to be undertaken by the Council chair, and
- m) advise the Council chair immediately of any circumstances, conflicts of interest, or perceived conflicts of interest that may prevent the Council member from performing his/her role in a fair and impartial way, in the best interests of the institution.