

# **UNIVERSITY ACCOUNTABILITY AGREEMENT 2019/20 – 2021/22 TRIENNIUM**

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## **1. BACKGROUND, CONTEXT AND PURPOSE**

1. The University Accountability Agreement (Agreement) is a formal agreement between The Education University of Hong Kong (EdUHK) and the University Grants Committee (UGC) of Hong Kong. It serves to articulate the nature and substance of the relationship between EdUHK and the UGC. Along with the dialogue, the Agreement forms a key element of the strategic framework underpinning this relationship.

2. This strategic dialogue is an important element in the action being taken by universities and by the UGC to strengthen the governance of publicly-funded higher education universities in Hong Kong and by such action to enhance their accountability. The Agreement reinforces the autonomous status of the universities by allowing them to articulate their individual missions, visions and strategic goals. The Agreement allows the UGC to be satisfied that the wider public interest is both recognised and met by EdUHK, as well as providing assurance through high-level performance measures of a commitment to continuous quality improvement. For EdUHK, the Agreement assures members of its governing body as well as its staff and students that the key elements are in place of the robust institutional governance which helps to guarantee EdUHK's autonomy.

3. The Agreement reaffirms the funding to be provided to a university by the UGC, setting out those elements which collectively represent the single-line block grant from the UGC over the triennial funding period for the 2019/20 to 2021/22 triennium. It also sets out any conditions attached to such funding, as well as being a reminder that all universities are required to follow the UGC Notes on Procedures (NoP) and other guidelines as promulgated and updated by the UGC from time to time.

4. EdUHK is also required to submit its teaching, learning and related processes to regular quality audit through the aegis of the Quality Assurance Council (QAC) and to submit to its research activity being assessed on a regular basis by the UGC. Specific outcomes and outputs from such periodic audit and assessment exercises are reflected as appropriate in the Agreement. The Agreement is not intended to replicate or replace such exercises.

5. By signing this Agreement, EdUHK affirms that all funds received from the UGC will be used solely for the purposes for which they are intended. Such funds are provided in the expectation that EdUHK will seek to achieve value for money and be economical, efficient and effective in its use of public funds.

6. The Agreement will be reviewed on an annual basis as part of the strategic dialogue between EdUHK and the UGC. This annual review will consist of a check on progress towards targets and outcomes agreed over the timeframe of EdUHK's strategic plan, which is aligned with the three-year span of the funding settlement from the UGC.

7. It is expected that the process of dialogue leading to the joint acceptance of the Agreement will mean that universities and the UGC will keep to its terms, both in spirit and in the letter. Where a university fails to do so without the prior agreement of the UGC, the UGC may decide on appropriate action having regard to the merits of individual cases to ensure that EdUHK is made aware of the potential consequences of it continuing to act in such a way.

8. The Agreement is signed by both EdUHK and the UGC as a public affirmation of the commitment of both parties to confirming and enhancing the global reputation of Hong Kong's higher education sector as a provider and enabler of teaching, research and related activity of the highest quality and of the greatest benefit to the people of Hong Kong.

## **2. HONG KONG FUNDING FRAMEWORK: KEY PRINCIPLES**

9. For the funding triennium of 2019/20 to 2021/22, the Government has agreed to provide a total sum of recurrent grants of HK\$60,467.1 million<sup>1</sup> to the UGC based on a submission drawing on plans submitted by each university. Each plan has been subject to scrutiny and challenge by the UGC through a process of strategic dialogue with individual universities. This process respects the autonomy of a university and its unique nature, being based on an examination and discussion of the effectiveness of a university's strategy (as articulated in its strategic plan) in enabling it to advance its mission, vision and role, with reference to:

- i. The university's competitiveness in Hong Kong and internationally;
- ii. Collaboration within and outside the UGC sector;
- iii. Capacity-building in key areas such as internationalisation and knowledge transfer;
- iv. The development of the self-financing sector; and
- v. Its use of the outcomes of key exercises such as QAC audits and the Research Assessment Exercise (RAE) 2014 to influence its longer-term strategy.

10. The UGC and the Government are committed to the principle of funding being allocated to the eight publicly-funded universities on a three-year basis, with that funding consisting of a single-line block grant to each university. This approach is an explicit recognition of their autonomous status. On their part, universities accept that they have a duty to be openly accountable for their proper stewardship of funds, irrespective of their source, and of other resources at their disposal.

11. The UGC considers that competition drives excellence. Competition among universities for a proportion of funded places is therefore embedded in the UGC's overall approach as the process of competing for places requires a university to take a critical look at its activities and its contributions, particularly in relation to its role within the higher education sector in Hong Kong, regionally and internationally, as well as in addressing community needs.

12. While the principle of the single-line budgetary allocation is, as stated above, fundamental to the UGC's approach, the use of its funding is subject to certain conditions. For its part, EdUHK accepts that:

- i. Co-teaching of UGC-funded and self-funded programmes is permitted, subject to there being in place a transparent and fair system for costing and for the subsequent transfer of funds and subject to adherence to the requirements for such a system being

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<sup>1</sup> This figure includes a sum of HK\$1,323.6 million of recurrent grants to be allocated in the form of earmarked grants and funding. These include funding to be allocated for Areas of Excellence Scheme, Earmarked Research Grants, knowledge transfer and other centrally held provisions.

as set out in the “Cost Allocation Guidelines for UGC-funded and non-UGC funded Activities”;

- ii. There must be no cross-subsidy of UGC resources into supporting non-UGC funded activities;
- iii. “Mixed-mode” funding is not allowed where UGC-funded students might be charged a higher fee in order to subsidise lower fees for self-funded students;
- iv. Additional years for the second degree within dual/double undergraduate degree programmes must be self-financed, subject to certain exceptions for particular teacher education programmes;
- v. Sub-degree and taught postgraduate degree programmes should in general be self-financed;
- vi. Part-time undergraduate and part-time research postgraduate programmes are not eligible for public funding;
- vii. Admission of non-local students by over-enrolment is permitted, subject to conditions set out in the UGC NoP;
- viii. The consequences as prescribed in the NoP of under-enrolment of UGC-funded students;
- ix. Any proposed moves of programmes to a higher-weighting academic programme category require the agreement of the UGC, based on a strong case for the justification of such a move; and
- x. It should adhere to the 20% rule on the balance of the General and Development Reserve Fund for a funding period.

13. Specific details of the funding being provided by the UGC to EdUHK are set out in Section Six of this Agreement.

### **3. INSTITUTIONAL MISSION AND VISION**

14. For the UGC, it is important that the strategies adopted by universities are effective in enabling an institution to advance its mission through enhancing its competitiveness, strengthening its ability to build its capacity, enabling collaboration and using the outcomes of exercises such as the 2014 RAE as a key element in its future development.

#### **Institutional Mission**

15. Committed to the Education-plus approach, EdUHK’s primary mission is to lead educational innovation, and to promote and support the strategic development of teaching, teacher education and disciplines complementary to education by preparing outstanding and morally responsible educators and professionals while supporting their lifelong learning.

EdUHK will:

- provide a multidisciplinary learning and research environment beyond education that is conducive to intellectual pursuits, free thinking and speech, advocacy of policy and practice, and the promotion of collaboration and diversity;
- enhance professional teacher and teaching education programmes and programmes in disciplines complementary to education with innovative curricula which will enrich students’ experiences and enable them to realise their personal potential as well as their educational and career goals;

- prepare its students to become educators and professionals who can integrate theory and practice, and who are creative, innovative, intellectually active, entrepreneurial, socially caring and globally aware;
- foster a vibrant research culture and environment which contributes to the advancement of knowledge, scholarship and innovation, with a sustainable impact on social progress and human betterment; and
- engage in knowledge transfer activities which contribute to the development of EdUHK and the wider community while serving the needs of educational and social development locally, regionally and internationally.

## **Institutional Vision**

16. EdUHK will further enhance its role as a leading university in the Asia Pacific region and beyond, with a focus on educational research, development and innovation. EdUHK will continue to raise its profile and impact locally, regionally and internationally through its high quality research and scholarship. EdUHK is committed to nurturing outstanding and caring educators and professionals who contribute constructively to sustainable social and economic development in Hong Kong and beyond.

## **Strategic Priorities and Actions**

17. EdUHK's high-level strategic priorities and corresponding actions over the timeframe of the strategic plan from 2016 to 2025 are presented under paras 18 and 19 below. In the coming Triennium 2019-22, EdUHK will pay more focused efforts on some important developments, for example implementation of the new undergraduate curriculum, ePortfolio, eLearning, experiential learning of undergraduate students, etc.

### *Strategic Priorities: 2 016 to 2025*

18. EdUHK's strategic priorities in the next decade cover three areas, namely (a) Academic Development, (b) Research and Knowledge Transfer, and (c) Management and Infrastructure.

19. Strategies and actions for individual areas are:

#### **(a) Academic Development**

Priority 1 'Nurturing Future Educators and Social Leaders' through curriculum innovation
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To nurture competent teachers who in turn will make a difference in the coming generations, thus creating a virtuous circle to ensure the continuous and sustainable betterment of the community.

Strategies and actions:

- support students' achievement of the Generic Intended Learning Outcomes that meet the professional and language standards appropriate to future social and career needs;

- enhance trilingual language support in English, Chinese and Putonghua, and provide foreign language classes e.g. in French, Japanese and Korean as one form of multi-cultural education and promotion;
- ensure students undergo a meaningful formal and non-formal learning experience with the goal of whole person development;
- further develop students' interdisciplinary learning experiences to help them cope with the prominent social, community and educational issues of the 21st century;
- internationalise the curriculum to ensure its relevance to a globalised world;
- enhance the curriculum to meet the changing global / local developments and community needs;
- promote research training in undergraduate teaching; and
- develop programmes benchmarked at international standards.

#### Priority 2 Enhancing quality in education

To nurture quality graduates who will become tomorrow's educators and social leaders by ensuring quality in education through EdUHK's clear and well-established quality assurance and enhancement mechanisms.

Strategies and actions:

- explore and develop new approaches to pedagogy, embrace innovation in assessment, and use research to inform teaching;
- enhance schemes to promote the quality of learning and teaching;
- engage students to take the lead in the learning and teaching process; and
- strengthen efforts to recruit quality students.

#### Priority 3 Facilitating learning sans frontières

To harness the new digital technologies to facilitate active, constructive and interactive learning across borders.

Strategies and actions:

- promote an innovative, borderless and interactive e-Learning approach;
- adopt innovative e-Technology in course delivery; and
- provide students with an enjoyable, successful and satisfying learning experience through effective blended modes and overseas learning.

#### Priority 4 Leading in teacher education

To continue to support the goal of on-going professional development with a range of programmes for in-service teachers and practitioners, and to remain a leading advocate for educational development and change in Hong Kong through top-notch research and knowledge transfer, strengthening and maintaining EdUHK's strong ties and partnerships with schools, major local school sponsoring bodies and non-governmental organisations.

Strategies and actions:

- enhance and enrich teacher education programmes through on-going review and refinement;

- address the needs of the government / school sector, for example, the latest developments of the Committee on Professional Development of Teachers and Principals (COTAP);
- provide a broad-based curriculum with the incorporation of positive education and service learning elements;
- nurture the graduates of teacher education programmes as leading thinkers and practitioners in the education profession;
- enhance pedagogical competence through teacher education programmes, and contribute to the development of education in Hong Kong;
- engage local and international communities on key educational issues that help shape the formulation of policies and practices to enhance educational and human capacity development;
- develop disciplines complementary to education (Humanities, Social Sciences, and Creative Arts and Culture) at taught postgraduate level; and
- strengthen academic training at the undergraduate level by helping students to find and take advantage of the synergies between teacher education and disciplines complementary to education.

#### Priority 5 Strengthening postgraduate provisions

To be at the forefront of teaching, research and consultancy services in the area of lifelong learning and continual professional development, and to respond to societal demand and community needs.

Strategies and actions:

- consolidate and refine programme offerings at taught postgraduate level; and
- increase the number of quality postgraduate programmes in teacher education and disciplines complementary to education.

#### Priority 6 Capitalising on local and international networks

To maintain and enhance EdUHK's local and international networks.

Strategies and actions:

- establish a learning environment of cultural and linguistic diversity in support of the development of international perspectives;
- provide a curriculum framework that shapes learning as a response to increasing globalisation and cross-cultural communication;
- strengthen links with regional and international partners and take on a leadership role in research and pedagogy; and
- promote internationalisation and encourage students' integration into local, regional and overseas multicultural communities.

#### **(b) Research and Knowledge Transfer**

Priority 1 Realising the goal of becoming the leading Research and Development Centre in Education, Humanities and Social Sciences under the Education-plus approach

To produce knowledge that can be applied to teaching and learning with the aim of improving professional practice and increasing the transfer of new knowledge and skills to society for community betterment, and continue to excel for the coming years.

Strategies and actions:

- enhance both the quantity and quality of research outputs by building thematic research and research clusters;
- foster a multidisciplinary research culture;
- promote regional and international collaborative research by building strategic research partners and developing longer-term partnerships;
- mentor young academic staff in their grant applications and research writing;
- enhance EdUHK's competitiveness in research grant applications; and
- promote mentoring by formalising academic mentoring practices.

#### Priority 2 Serving local and international communities with needs-focused scholarship, knowledge transfer and community service

To strongly encourage the academic staff to engage in a wide range of KT activities - such as commissioned/contract projects, consultancies, professional development courses, local or international professional conferences, professional seminars and workshops as well as participating in social, community and cultural events.

Strategies and actions:

- promote KT and enhance its quality by further upgrading existing institutional support of promotion of EdUHK's intellectual property through engagement in application and innovation ;
- continue to raise the public profile of EdUHK's researchers and research output through the Research and Development Office and Library;
- strengthen university-community relations with the development of new and extant regional, national and international partnerships;
- allocate KT funding to support and protect university-owned intellectual property by identifying strategic areas;
- further diversify KT activities into such areas as patent, licence and university-owned intellectual property;
- promote research with a social, educational and economic impact by documenting KT activities and research impacts then benchmarking them with those of the UK Research Excellence Framework (REF); and
- engage students in KT activities.

#### Priority 3 Encouraging an active and strong research culture among academic staff and postgraduate students

To maximise the benefits and synergies among academic staff and research postgraduate students and to increase the quantity and quality of research outputs.

Strategies and actions:

- promote interaction and dialogue among academic staff and postgraduate students through informal exchange and departmental and inter-departmental research seminars;



- encourage academic staff and postgraduate students to disseminate research findings; and
- encourage postgraduate students to publish or co-publish in quality academic journals.

#### Priority 4 Encouraging active participation of academic staff in research

Initiatives and incentives in place include affording staff research time, promoting research with a high impact, augmenting research funding, nurturing early career researchers, creating a multidisciplinary research environment, enhancing the quality of research outputs, giving staff teaching relief, providing mentoring, and enhancing EdUHK's research infrastructure.

#### Priority 5 Providing support for research postgraduate students

The growing number of research postgraduate students arising from EdUHK's enhanced research capacity has generated a critical mass for the promotion of an active research culture among these students. Among the ways to increase the research capacity of research postgraduate students include providing academic guidance and support, enhancing students' academic writing and research skills, enriching students' international experiences by offering financial support for students to attend and present at international conferences, and offering financial assistance to support their research activities.

### (c) Management and Infrastructure

#### Priority 1 Ensuring effective and efficient management

To strengthen the skills of staff in leadership positions, to re-affirm commitment to high quality teaching, to promote values that recognize exceptional performance through the implementation of effective human resources policies, to enhance operational efficiency, and to strengthen the funding position.

Strategies and actions:

- continue to strengthen the academic capacity and leadership of EdUHK;
- cultivate a high level performance culture by reviewing and refining the appraisal and Performance-Based Reward System to motivate and reward high achievers;
- enhance the awareness of the already sound internal controls, and promote the management of risk;
- review and streamline oversight and approval processes at all levels;
- enhance operational efficiency by promoting a culture of continuous improvement and introducing best practice from industry; and
- expand and diversify funding sources to ensure the long-term sustainability of EdUHK.

#### Priority 2 Working towards a sustainable infrastructure

To create a green campus and a sustainable infrastructure and continue to strengthen the coverage of wired and wireless networks in every corner of the campus; leverage data, cloud technology and mobile applications to facilitate learning and teaching;

encourage and promote the move towards paperless meetings; secure donations and raise funds to support the construction of student hostels; and set up further sustainability goals and policies covering green building retrofitting, carbon emissions reductions, water and waste recycling, and renewable energy.

Strategies and actions:

- review information technology strategy and campus infrastructure to facilitate student learning and student support services;
- create or construct new academic space for teaching and research;
- expand student accommodation for more non-local and self-financed students; and
- promote the development of a sustainable campus.

### Priority 3 Going beyond a caring organisation

To ensure the sustainability of university's caring culture, EdUHK will continue to foster a positive and can-do attitude by organising regular education programmes, workshops and promotion campaigns on campus, and volunteering teams for community service.

Strategies and actions:

- promote the concept of social responsibility within and beyond EdUHK community;
- increase the diversity of the workforce by employing more people with disabilities or special needs; and
- engage social enterprises in delivering services to EdUHK community.

## 4. ACTIVITY DOMAINS AND PERFORMANCE MEASURES

20. A regular review of institutional performance is an important element of sound governance. It allows an institution to derive leverage from its strengths, while highlighting other areas where action on issues requiring attention might be taken to its longer-term advantage. It also allows an institution to demonstrate in its key areas of activity that it has taken note of those elements which are important in the future development of higher education in Hong Kong. For the UGC, these elements are in particular important:

- Quality of the student experience of teaching and learning
- Quality of research performance and of research postgraduate experience
- Knowledge transfer and wider engagement
- Enhanced internationalisation
- Financial health and institutional sustainability

21. The higher education sector is a major asset for Hong Kong, benefitting from a major investment of public funds each year. Measuring the overall performance of the sector provides a measure of sector-wide performance for public information, as well as strengthening both the public profile and reputation of the sector and its overall value to the community. Measurement of performance helps ensure public confidence in universities through enhancing their accountability. Measurement also allows the higher education sector to demonstrate that individual institutions are committed to continuous quality improvement

in their individual circumstances, as well as high standards of governance and educational practice.

22. As far as is practicable, data for the performance measures is derived from existing institutional returns to the UGC, whether through Common Data Collection Format (CDCF) returns or other statistical returns, or from audited sources such as a university's annual financial statements. Where other sources are used, these sources are acknowledged in the introduction to each performance measure.

23. The UGC acknowledges in its NoP (Chapter 6 on Data Collection and Returns) that, "it requires information about the activities of the UGC-funded institutions for a variety of purposes, including assessment of recurrent and capital funding requirements, monitoring progress, advising on academic developments generally, monitoring progress and expenditure on RGC-funded research projects, reporting to the Government, the Legislature and the public. The data so collected also enables many ad hoc questions to be answered without further enquiry of the institutions".

#### **4.1 Quality of the Student Experience of Teaching and Learning**

24. The core components of the performance measures in this activity domain are intended to demonstrate that an institution has effective strategies in place to deliver improvements in teaching quality, to enhance the effectiveness of the learning environment and to maximise student learning outcomes, particularly in relation to learning gain leading to appropriate employment or further study. The data for (1) and (2) under the sector-wide performance measures below are derived from a standard question in each university's student survey.

##### **Sector-wide Performance Measures**

- 1) Undergraduate satisfaction with the quality and value which they have gained from their teaching and learning experience
- 2) Undergraduate satisfaction with their overall learning environment
- 3) Undergraduate employment success rate
- 4) Employer satisfaction with graduates

##### **Institution-specific Key Performance Indicators**

- 1) Participation percentage of undergraduate students joining experiential learning activities
- 2) Participation of students in the ePortfolio Scheme for reflective learning

#### **4.2 The Quality of Research Performance and of Research Postgraduate Experience**

25. Performance measures in this domain are intended to illustrate that an institution has strategies in place appropriate to its mission to encourage research and scholarship and which seek to improve the quality and volume of research outputs. The measures take account of factors such as research impact and measures in place to ensure positive learning outcomes for research postgraduate students, including equipping them for careers appropriate to their specialism.

## **Sector-wide Performance Measures**

- 1) Percentage of research activities judged to be world leading or internationally excellent as assessed in the latest Research Assessment Exercise
- 2) Value of total research income
- 3) Average time-to-completion, graduation rate and employability of research postgraduates, allowing for disciplinary differences

## **Institution-specific Key Performance Indicators**

- 1) Percentage of research postgraduate students with a refereed publication within the period of study
- 2) Percentage of research postgraduate students presenting a paper at academic conference

## **4.3 Knowledge Transfer and Wider Engagement**

26. While acknowledging that quantitative performance measures in this domain are not yet sufficiently developed to reflect the full spectrum of institutional activities aimed at wider engagement with the community, the performance measures are intended to demonstrate in part how universities engage in knowledge transfer and in wider engagement with the community, defined as, “the systems and processes by which the knowledge, expertise and intellectually linked assets of universities are constructively applied beyond higher education for the wider benefit of the economy and society, through two-way engagement with business, the public sector (including the school sector), cultural and community partners”, with innovative, profitable, economic or social improvements being part of that benefit.

27. Knowledge transfer and wider engagement includes activities such as consultancies, collaborative research (with industrial, commercial or other non-higher education partners such as NGOs), contract research (undertaken for industrial, commercial or other non-higher education partners such as NGOs and creative or cultural organisations), continuing professional development (CPD), licensing, start-ups, spin-outs and public engagement. Such activities can loosely be categorised as: (i) the provision of research and business services (consultancy; collaborative research; contract research; and CPD); (ii) innovation (licensing; start-ups; and spin-outs); and (iii) public engagement (networking and public events; projects with a social or community benefit).

## **Sector-wide Performance Measures**

- 1) (a) Total income from knowledge transfer via the provision of research and business services (i.e. collaborative research, contract research, consultancies, CPD)  
(b) Total income from knowledge transfer as innovative activity (i.e. income generating from intellectual property as defined in CDCF and from start-up companies)
- 2) Expenditure on public engagement activities (e.g. public lectures, performance arts, exhibitions and others as defined in CDCF)

### **Institution-specific Key Performance Indicators**

- 1) Number of staff engaged as professional consultants or members of external advisory bodies
- 2) Number of beneficiaries of knowledge transfer activities

### **4.4 Enhanced Internationalisation**

28. System-wide performance measures in this domain are designed to illustrate the impact of an institution's development of a holistic approach to the growing importance of internationalisation to the higher education sector in Hong Kong. Such an approach might include the recruitment of students from overseas, exchange programmes involving Hong Kong students spending part of their course in an overseas institution and vice versa, recruitment of staff from overseas, participation of staff in overseas conferences / exchanges, engagement with Mainland China, as well as the extent to which the student curriculum itself has embraced and embodied international perspectives.

### **Sector-wide Performance Measures**

- 1) Non-local students (in each of: undergraduate; taught postgraduate; research postgraduate) as percentage of total student numbers
- 2) Non-local students broken down by regions (Asia, Europe, North America, South America, Oceania, Africa and others)
- 3) Percentage of Hong Kong undergraduate students with non-local university-approved formal or experiential learning experience
- 4) Percentage of research outputs with international research collaboration which has resulted in a joint publication cited in the Research Assessment Exercise process as of at least international quality

### **Institution-specific Key Performance Indicators**

- 1) Number of inbound / overseas trainees taking part in learning programmes
- 2) Percentage of research postgraduate students with non-local learning experience within period of study
- 3) Number of programmes / events given by staff either abroad or to inbound non-local delegates / trainees

### **4.5 Financial Health and Institutional Sustainability**

29. Measures in this domain are designed to illustrate the strength of an institution's governance structures and their capacity to ensure the financial sustainability of the institution in the longer term. The elements forming the measures are drawn from the findings of the "Governance in UGC-funded Higher Education Institutions in Hong Kong" (Governance Report) published by the UGC in 2016, as well as from worldwide good practice in the wider sphere of commerce and government. Specific measures and indicators of enhanced governance in EdUHK are detailed in the following Section Five on Governance and Institutional Management.

## Sector-wide Performance Measures

- 1) Annual surplus as a percentage of total income
- 2) Subventions from UGC as a percentage of total income
- 3) Current ratio (i.e. current assets / current liabilities)
- 4) coverage of university's expenditure by reserves and cash & cash equivalents (defined by Hong Kong Financial Reporting Standards):
  - (i)(a) Reserves / monthly expenditure = number of months that expenditure can be supported by reserves;
  - (i)(b) Liquid reserves / monthly expenditure = number of months that expenditure can be supported by liquid reserves; and
  - (ii) Cash & cash equivalents / monthly expenditure = number of months that expenditure can be supported by cash & cash equivalents

## 5. GOVERNANCE AND INSTITUTIONAL MANAGEMENT

30. Effective governance and institutional management is based on a clear understanding of the respective roles of the governing body, of the senate or academic board and of the senior management in an institution. Mutual respect for these differing roles is a keystone of a well-run university. To quote the UGC's Governance Report, "The governing body is responsible for oversight of the institution's activities, determining its future direction and fostering an environment in which the institutional mission is achieved and the potential of all learners is maximised". The president and the executive team are responsible for the management of the institution, both internally and externally, such that its mission is achieved and it benefits from teaching, learning and research of the highest quality. In short, the senior executive should not seek to determine those matters which are properly the concern of the governing body. Equally, the governing body should not become involved in the day-to-day executive management of the institution.

31. In many institutions worldwide, codes of good conduct or practice explicitly recognise this difference between the roles but also their mutual dependence, as well as the need to respect such difference. By highlighting the importance of all involved in institutional governance and management recognising their respective responsibilities, this Agreement seeks to reinforce the importance of differing roles being respected, either through a formal code of good practice or through explicit recognition by all concerned.

32. The UGC and the eight universities have worked together since the UGC published its Governance Report in March 2016. Action has been taken to implement recommendations in each of the following key areas in order to strengthen institutional governance and management:

- Recruitment, induction and continuing professional development of university council members
- Institutional strategy
- Management of risk
- Delegation of authority
- Periodic review of governance arrangements

33. EdUHK has responded to the recommendations by taking the following actions:

### **5.1 Recruitment, Induction and Continuing Professional Development of University Council Members**

34. Since July 2014, the Council Secretary has been providing each new Council Member with a one-on-one induction meeting. Starting 2016/17, the President and Vice Presidents also provide lay Council Members with up-to-date information about EdUHK's current and future development in different aspects, in addition to the quarterly reports presented in Council meetings. The Skills Template for Council Members was considered and approved by the Council at its meeting held on 30 June 2017. New Council Members appointed after June 2017 will be provided with a set of Skills Template and Code of Conduct for reference. Daily media summaries are sent to Council Members to keep them abreast of the news in the education sector in Hong Kong and elsewhere in the world. Council Members are invited to join briefings and events on latest educational developments and developments of EdUHK, such as Tea Receptions with outstanding students and Education Salons, and visits from time to time.

### **5.2 Institutional Strategy**

35. The Council considered and approved EdUHK's Strategic Plan for 2016-2025 in December 2016 and further approved EdUHK's Institution-specific Key Performance Indicators (KPIs) in October 2017. The Council will conduct interim reviews and assess EdUHK's development against the Major Milestones and KPIs in 2019 and 2022.

### **5.3 Management of Risk**

36. EdUHK, with the assistance from the Internal Auditors and in consultation with essential stakeholders, conducted a series of assessment exercises to identify the risks it was facing and the measures in managing such risks. An Enterprise Risk Management framework has been put in place, and EdUHK will continue to monitor its risk exposure as well as to assess the design and operations of mitigation plans in managing the risks on a regular basis. Since 2015/16 Annual Report, a new section on risk management has been added in the Chapter on Governance, disclosing each of the Principal Risks and the respective mitigation measures. EdUHK has also arranged trainings on risk management for the key management and administrative colleagues as well as Heads of academic departments. EdUHK will continue to monitor internal factors as well as external environment that impact its risk profile and formulate the appropriate risk treatment activities as needed on a timely basis.

### **5.4 Delegation of Authority**

37. Since 2015/16 Annual Report, a new section on Internal Controls and Measures has been added in the Chapter on Governance, disclosing the scheme of delegation from Council to Council's Staffing Committee and Finance Committee and to the President. The responsibilities of the Council and those of the Senior Management Team have also been disclosed. In 2016, the Secretary to Council reviewed EdUHK's scheme of delegation and reporting mechanism to ensure they are appropriate and effective. After the review, it was found that the present scheme of delegation and reporting mechanism works well and no

revisions are proposed. Regular reviews of EdUHK’s scheme of delegation will be conducted every five years.

### 5.5 Periodic Review of Governance Arrangements

38. The Council of EdUHK has agreed to review its scheme of delegation every five years since 2017. EdUHK will take this opportunity to review the Council Committee structure as well as the terms of reference of each Council Committee.

## 6. UGC FUNDING ALLOCATION TO THE EDUCATION UNIVERSITY OF HONG KONG

39. As set out in the Provisional Allocation Letter “Recurrent Grants for the 2019/20 – 2021/22 Triennium” dated 8 April 2019, the recurrent grants to be provided to EdUHK in the form of block grants during the 2019-22 triennium will be **HK\$2,734.463 million**. This figure is indicative, which may increase or decrease slightly when actual competition results on the allocation of the research postgraduate places and RGC projects are available.

### UGC Funding Methodology

40. Please refer to the Annex “Methodology for Determining the Levels of Recurrent Grants for the UGC-funded Universities”.

### Approved Student Numbers (in fte terms) for the 2019-22 Triennium

	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>
Sub-degree	948	926	926
Undergraduate	4 313	4 301	4 328
Taught Postgraduate	331	320	320
Research Postgraduate#	73 + (3)	62 + (15)	49 + (25)
Total*	5 665 + (3)	5 609 + (15)	5 623 + (25)
FYFD	609	609	609

\* Figures may not add up to the corresponding total owing to rounding.

# The total tentative RPg places in 2019/20, 2020/21 and 2021/22 are 250, 804 and 1 286 respectively and the allocation to the universities are shown in brackets.

### Other UGC Funding

41. Details about other earmarked grants and funding such as the funding to be allocated for Areas of Excellence Scheme, Earmarked Research Grants, knowledge transfer, etc will be announced separately.



**7. FORMAL AGREEMENT**

42. This University Accountability Agreement represents an agreement between The Education University of Hong Kong and the University Grants Committee.

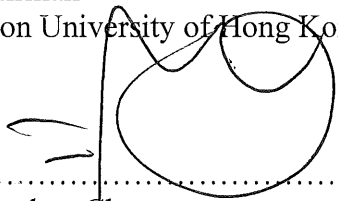
Signed for and on behalf of The Education University of Hong Kong by



.....  
Professor Frederick Ma Si-hang  
Council Chairman  
The Education University of Hong Kong

*25 June 2019*

.....  
Date

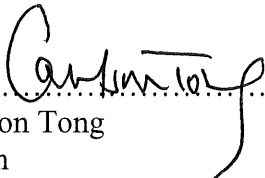


.....  
Professor Stephen Cheung  
President  
The Education University of Hong Kong

*20 June 2019*

.....  
Date

Signed for and on behalf of the University Grants Committee by



.....  
Mr Carlson Tong  
Chairman  
University Grants Committee

*27 June 2019*

.....  
Date



.....  
Professor James Tang  
Secretary-General  
University Grants Committee

*24 June 2019*

.....  
Date

## **Methodology for Determining the Levels of Recurrent Grants for the UGC-funded universities**

The UGC's funding methodology was developed in 1994 and has been used since then for the assessment of the recurrent grants for the UGC-funded universities. It is regularly reviewed and improved to ensure that it is appropriate and relevant to current circumstances.

2. Recurrent grants for each UGC-funded university basically comprise a block grant and funds provided for specific purposes. The purpose of the UGC recurrent grants is to fund universities to support the pursuit of their different roles and missions in teaching and research.

### **Block grant**

3. The New Academic Structure (NAS) has been implemented in the UGC-funded sector since the 2012/13 academic year. Thus, there has been new recurrent funding for the additional year under the NAS ("new pot of money") in addition to the funding ("existing pot of money") for the three years of undergraduate study and other levels of study. In this regard, for the purpose of determining the block grant allocation to universities, a "two pots of money" approach/funding methodology has been applied since the 2012/13 to 2014/15 triennium, as detailed below. Universities still receive a single lump-sum block grant in the end and the "two pots of money" approach will not affect the existing autonomy within which universities deploy their block grant.

### ***"Existing pot of money" for the three years of undergraduate study and other levels of study***

4. Under the "existing pot of money", the amount of block grant to the sector as a whole comprises three elements –

- (a) Teaching – about 75%
- (b) Research – about 23%
- (c) Professional Activity – about 2%

### ***Teaching element***

5. The bulk of the block grant is allocated for teaching, which is an indispensable duty and mission of all universities. The Teaching element is determined on the basis of the student numbers, their study levels (i.e. sub-degree, undergraduate, taught postgraduate and research postgraduate), modes of study (i.e. part-time and full-time) and disciplines of study. Some subjects are more expensive to teach than others because of special equipment or laboratory needs, or because they are more staff time intensive, etc. Relative cost weightings by broad academic programme category are grouped into three price groups, as shown in the table below -

Academic Programme Category (APC)	Price Group of APCs	Relative Cost Weighting	
		Teaching <sup>(1)</sup> Programme	Research <sup>(2)</sup> Programme
1. Medicine 2. Dentistry	A Medicine & Dentistry	3.6	1.8
3. Studies Allied to Medicine and Health 4. Biological Sciences 5. Physical Sciences 6. Engineering and Technology 7. Arts, Design & Performing Arts	B Engineering & Laboratory Based Studies	1.4	1.4
8. Mathematical Sciences 9. Computer Science and Information Technology 10. Architecture and Town Planning 11. Business and Management Studies 12. Social Sciences 13. Law 14. Mass Communication & Documentation 15. Languages & Related Studies 16. Humanities 17. Education	C Others	1.0	1.0

Notes:

(1) Includes sub-degree, undergraduate and taught postgraduate programmes.

(2) Includes research postgraduate programmes.

### *Research element*

6. The Research element, i.e. the Research Portion (R-portion), is disbursed to the universities as infrastructure funding to enable universities to provide both the staffing and facilities (e.g. accommodation and equipment) necessary to carry out research, and to fund a certain level of research. To promote research excellence, the UGC has been gradually allocating the R-portion to its funded universities on a more competitive basis according to their success in obtaining peer reviewed Research Grants Council (RGC) Earmarked Research Grants (ERGs). It was originally intended that over a period of nine years (starting from the 2012/13 academic year), about 50% of the R-portion would be ultimately allocated in this manner. In 2017, in response to the stakeholders' concerns expressed in the Review of the RGC (Phase I), the UGC approved the interim arrangement to "freeze" the percentage of the competitive part of the R-portion at 26% since the 2017/18 academic year, pending the completion of a further review on R-portion. The remaining 74% of the R-portion will be allocated with regard to the universities' performance in the Research Assessment Exercise (RAE). For the 2019/20 to 2021/22 triennium, before the

results of the forthcoming RAE in 2020 are available, the results of the RAE 2014 will continue to inform allocation of the rest of the R-portion.

#### *Professional Activity element*

7. This element of funding is intended to fund professional activities not covered by the Teaching element and Research element and is calculated based on the number of academic staff.

#### ***“New pot of money” for the additional year under the New Academic Structure***

8. The funding for the additional year under the NAS, treated as a separate pot of money, is allocated wholly as “teaching funding” among faculties with price weightings of 1.4 and 1.0 for (i) Medicine, Dentistry, Engineering and Laboratory-based studies; and (ii) Others respectively.

#### ***Allocation of block grant within universities***

9. The above-mentioned methodology only serves as a basis for determining the block grant allocation to the UGC-funded universities. Once allocations are approved, universities have autonomy in and responsibility for determining the best use of the resources vested in them.

#### **Grants for specific purposes and extra-formulaic adjustments**

10. The UGC is aware that its formula-based funding model cannot address all the various needs of the universities. The UGC’s recommendations therefore make provision for the following specific requirements for the 2019/20 to 2021/22 triennium –

- (a) Earmarked Research Grants (ERG)  
The ERG is distributed by the RGC to support research projects and research activities of the eight UGC-funded universities. The ERG is funded by the investment income of the Research Endowment Fund (REF). To keep the amount of funding of the ERG up to the current price level, an amount of \$72.7 million will be deployed within the Cash Limit for ERG for each of the academic years in the 2019/20 to 2021/22 triennium.
- (b) Teaching Development and Language Enhancement Grant (TDLEG)  
UGC attaches great importance to teaching and learning. A sum of \$781.2 million will be provided for the TDLEG in the 2019/20 to 2021/22 triennium.
- (c) Knowledge Transfer  
To support expansion of institutional capacity and to broaden universities’ endeavours in knowledge transfer, the UGC will continue to reserve a sum of \$68.5 million (including the inflation adjustment) for universities for each of the academic years in the 2019/20 to 2021/22 triennium.
- (d) Central Allocation Vote (CAV)  
Similar to the past triennium funding exercise, the UGC will set aside about 1.0% of the Cash Limit (*i.e.* \$600 million in the 2019/20 to 2021/22 triennium)

centrally to support new initiatives during the triennium, in addition to setting aside an average annual funding of \$100 million for the Areas of Excellence projects.

(e) Others

The UGC also agreed to fund a number of small extra-formulaic adjustments relating to specific activities of universities, totalling around \$72 million each year.

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