

UNIVERSITY ACCOUNTABILITY AGREEMENT

2022/23 – 2024/25 TRIENNIUM

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1. BACKGROUND, CONTEXT AND PURPOSE

1. The University Accountability Agreement (Agreement) is a formal agreement between The Chinese University of Hong Kong (CUHK) and the University Grants Committee (UGC) of Hong Kong. It serves to articulate the nature and substance of the relationship between CUHK 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 CUHK, as well as providing assurance through high-level performance measures of a commitment to continuous quality improvement. For CUHK, 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 CUHK'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 2022/23 to 2024/25 triennium (2022-25 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) as well as other guidance and advice as promulgated and updated by the UGC from time to time.
4. CUHK 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 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, CUHK 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 CUHK 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 CUHK and the UGC. This annual review will consist of a check on progress towards targets and outcomes agreed over the timeframe of CUHK'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 CUHK is made aware of the potential consequences of it continuing to act in such a way.
8. The Agreement is signed by both CUHK 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. The UGC follows a triennial planning cycle for the allocation of recurrent grants to the eight UGC-funded universities. This is underpinned by the Planning Exercise, which allows the universities to examine their recent developments through reviewing existing programmes, introducing new ones and phasing out obsolete ones. The exercise involves two major components:

- i. obtain instructions from the Government on the overall policy direction and broad planning parameters for the triennium; and
- ii. on the basis of (i), consider the Planning Exercise Proposals (PEPs) submitted by the universities to make recommendations on the allocation of student numbers and recurrent grants to individual universities. The cycle usually starts two years before the commencement of each triennium.

10. For the 2022-25 triennium, CUHK acknowledges the four strategic directions which Government has invited the UGC and all universities to take into account in the Planning Exercise, namely –

- (a) Universities should think more strategically and for the longer term

Universities should think boldly and strategically in mapping out the strategies in a longer planning cycle, taking into account the potentials and needs of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) Development and the role that Hong Kong's higher education sector could play in this endeavour.

- (b) Consolidation in UGC-funded programmes among universities

A few universities are currently offering training programmes in some disciplines with surplus manpower, while there is ample supply of graduates from the self-financing post-secondary education sector and other non-local sources. The more apparent examples are Chinese medicine practitioners, teachers and social workers. The opportunity should be taken for the universities to consider some form of consolidation of these programmes at institutional level to enhance synergy and efficient use of resources.

- (c) Whole-person development

While recognising the significant efforts made by the universities on the academic front, the whole-person development of university students should also be accorded priority. As graduates are the future pillars of our society, it is pivotal that a strong sense of civic duty could be instilled into them through value education at university level. The education on the Constitution, the Basic Law and the National Security Law should also form part and parcel of students' university studies to nurture them as law-abiding responsible citizens.

(d) Research

The basic research capability among the UGC-funded universities is a forte in which Hong Kong has a leading edge in the region. Such forte should be maintained and further strengthened, as manifested in the Government's sizeable injection into research-related funding in recent years. At the same time, the knowledge transfer from basic to applied research with the creation of social impact should also be encouraged.

11. The UGC considers that competition drives excellence. To ensure the efficient use of the precious publicly-funded student places, the UGC adopts the Competitive Allocation Mechanism (CAM) under which each university is required to set aside a small portion of its non-manpower-planned (NMP) first-year-first-degree (FYFD) intake places for redistribution in the context of the Planning Exercise. Universities are invited to submit their PEPs to facilitate assessment by the UGC. This process of preparing their PEPs creates an opportunity for universities to critically reflect on their overall strategies, distinctive roles and portfolio of academic programmes against policy priorities and community needs. The PEPs submitted by the universities are subject to rigorous assessment by the UGC against the following seven assessment criteria –

- i. Institutional mission and strategy;
- ii. Meeting the needs of society over the next decade;
- iii. Quality of student experience of teaching and learning;
- iv. Research performance and research postgraduate experience;
- v. Knowledge transfer and wider engagement;
- vi. Enhanced internationalisation and engagement with the Mainland; and
- vii. Financial health, institutional social responsibilities and sustainability.

12. The preliminary recommendation on allocation of student places is conveyed to the universities in the Preliminary Advisory Letter to facilitate the universities' preparation of student load matrices and cost estimates. Upon completion of Recurrent Grants Assessment, the UGC submits its recommendations on the allocation of student places and recurrent grants to the Government. With the approval from the Chief Executive-in-Council, universities are informed of their final funding allocation in the Allocation Letter from the UGC.

13. 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. In the 2022-25 triennium, the Government has agreed to provide a total sum of recurrent grants of **HK\$13,803.4 million** to CUHK in the form of a block grant of which CUHK may redeploy the resources internally to various units and activities as your university sees fit. That notwithstanding, UGC's recommendations are premised on the proposals, initiatives and programme offering as committed in your university's PEP, whereas the approved student number targets form a key basis for the determination of recurrent grants. As such, the PEP of your university is contractual in nature. CUHK accepts that you have a duty to be openly accountable for the proper stewardship of funds, irrespective of their source, and of other resources at your disposal. In particular, CUHK should ensure the provision of approved publicly-funded programmes and student places, while effective and efficient internal control mechanisms should be in place for the compliance of relevant conditions on the use of public funding and requirements for reporting, audit and assurance as prescribed in the PEP, the Allocation Letter, the UGC's NoP as well as other

guidance and advice from the UGC from time to time. Some specific conditions are highlighted in the ensuing paragraphs.

Utilisation of Approved Student Number Targets

14. The UGC conducts regular enrolment and admission monitoring to ensure that the approved student number targets are delivered by CUHK, as well as to enable the introduction of appropriate remedial measures in the event of significant deviations.

15. The full utilisation of student places and intake places is an obligation in return for receiving public funding which must be accountable and therefore subject to scrutiny by the Government and the public. The UGC understands that enrolment management involves factors such as student admission, market demand and individual student decisions which are often beyond the control of the universities and thus allows some flexibility on under-utilisation and over-utilisation as prescribed in the NoP or other advice from the UGC. The enrolment and admission monitoring is conducted by the UGC on both annual and triennial basis to ensure effective and realistic enrolment management of the universities.

16. CUHK accepts that the UGC reserves the right to claw back funding from your university or deduct the corresponding amount from any other planned or committed funding allocation to your university, if the UGC is of the opinion that enrolment management by your university is unsatisfactory in terms of significant over-utilisation beyond the permissible ceiling or under-utilisation below the tolerable floor. Your university is responsible for undertaking all reasonable measures in response to unsatisfactory situation in order to safeguard the quality of teaching and learning as well as to ensure the efficient use of public funding. CUHK shall submit information on the enrolment situation through the annual submission of statistics in the Common Data Collection Format (CDCF) or at any suitable juncture.

Compatibility with “3-3-4” Academic Structure

17. CUHK acknowledges that Hong Kong adopts the “3-3-4” Academic Structure under which the normative study period for an undergraduate programme is four years, while certain programmes may have normative study periods of five years or longer to ensure that the graduates are equipped with the necessary skills and competences. While institutional autonomy remains the core value of the higher education sector which the UGC cherishes and respects, CUHK would ensure that the academic programmes offered are formulated in a manner fully consistent with the overarching framework of the “3-3-4” Academic Structure. Also, whole-person development has all along been considered as an integral component of quality undergraduate education under the “3-3-4” Academic Structure and a curtailed study period will result in loss in such opportunities. In all circumstances, a university should not introduce any undergraduate programmes allowing for the awarding of a degree with a normative study period of less than four years. The normative study period of double degree programmes should accordingly be no less than five years. Universities should tender appropriate advice to the students to encourage suitable balance between academic studies as well as participation in extra-curricular and co-curricular activities for fulfilling the mission of promoting whole-person development.

Financial Governance

18. The public funding for all UGC-funded universities involves substantial amount of public resources. There is clear aspiration from the community that universities will assume full accountability for the use of funding and uphold the highest standard of financial governance. CUHK agrees to adhere to the latest requirements on financial governance as set out by the UGC vide the letters on various topical issues and issue of guidelines, including, but not limited to –

- i. Statement of Recommended Practice for the UGC-Funded universities (“the SORP”) – The SORP reflects both the accounting practices and disclosures as set out in the prevailing Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and those recommended in UGC’s Financial Affairs Working Group Report for use by the universities in the preparation of their financial statements and Annual Reports; and
- ii. Cost Allocation Guidelines for UGC-funded and non-UGC-funded Activities (“the Guidelines”) – The Guidelines provide a set of guidance for universities to ensure that there is no cross-subsidisation of UGC resources to non-UGC-funded activities. The Guidelines represent the basic features that each university should demonstrate in their cost allocation models, and serve as inputs to the design and implementation of their cost allocation mechanisms.

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

3. INSTITUTIONAL MISSION AND VISION

20. 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 2020 Research Assessment Exercise (RAE) as a key element in its future development. As we gradually move on from the restrictions brought on from the COVID-19 Pandemic, it is also important for universities to focus on institutional development in response to the evolving landscape of higher education, especially the “new normal” shaped by the medium- and long-term socio-economic impacts of the pandemic. CUHK has developed a “hybrid” teaching arrangement combining face-to-face and synchronous online academic activities, without compromising the desired learning outcomes. There will be more online activities to supplement the learning and campus life of students.

Institutional Mission

21. To assist in the preservation, creation, application and dissemination of knowledge by teaching, research and public service in a comprehensive range of disciplines, thereby serving the needs and enhancing the well-being of the citizens of Hong Kong, China as a whole, and the wider world community.

Institutional Vision

22. To be acknowledged locally, nationally and internationally as a first-class comprehensive research university whose bilingual and multicultural dimensions of student education, scholarly output and contribution to the community consistently meet standards of excellence.

Strategic Priorities and Actions

CUHK Strategic Plan 2021-2025

23. In CUHK 2025, it delivers a clear roadmap that will guide CUHK to further fulfil our vision in achieving “excellence with purpose and responsibility”, as we carry out the role of a civic university that contributes to Hong Kong, our country, the region and the rest of the world. CUHK 2025 has identified seven key areas for the coming five years, namely (1) Education; (2) Student Experience; (3) Research and Innovation; (4) Global Engagement; (5) Talent Attraction and Development; (6) Alumni Engagement and Institutional Advancement; and (7) Social Responsibility and Sustainable Development that chart the direction of CUHK in its next phase of development: -

1) Education –

CUHK prides itself in its dedication to education. Non-formal education programmes contribute significantly to a well-rounded education and whole-person development. The University’s coursework and research postgraduate programmes are much sought after by local, Mainland and international students. Considerable effort has been put into expanding professional and continuing education, which provides opportunities for upskilling and enrichment and in so doing, serves the needs of society.

In order to better enable students to analyse complex issues, address global challenges and thrive in a fast-changing politico-economic landscape, the undergraduate curriculum, particularly its core required components, will be enhanced. There will be an increased emphasis on entrepreneurship and innovation, language proficiency and collaborative programmes, programme structures and pedagogy that needs to be made more adaptive and responsive to the potential risks and threats in the “new normal”. To meet the challenges of tomorrow, CUHK graduates must be globally ready, be able to cross knowledge boundaries, and aspire to become competent leaders and make lifelong contributions to society.

CUHK 2025 seeks to build on the high-quality postgraduate education that has contributed to the success of the University as a bastion of cutting-edge research and trailblazing discoveries. The University aims to raise the number and quality of its postgraduate students with enhanced internationalisation and research initiatives. This will help push research and innovation to a higher level and contribute to talent development. There will be more collaborations with Mainland and overseas strategic partners to encourage interdisciplinary research. Priority support will be given to interdisciplinary research areas aligned with the strategic direction of CUHK.

CUHK will continue to enhance its lifelong learning and professional education through the School of Continuing and Professional Studies (CUSCS). With a robust quality assurance system in place, CUSCS is in a strong position to promote lifelong learning, in line with the Government's strategy in response to changing conditions in the employment scene.

To prepare our students for challenges of tomorrow, to equip them with the knowledge, skills and values through formal and non-formal learning, CUHK has set for ourselves 5 goals for enhancing teaching and learning in the next five years:

- To develop integrative programmes that cross disciplinary boundaries, enhance global perspectives and inculcate 21st Century skills;
- To adapt programme structure and pedagogy to excel in the “new normal”;
- To enable students to take ownership of their learning and stepping out of their comfort zone;
- To strengthen postgraduate education as a key to building research and internationalisation; and
- To expand CUHK's leading role and positive impact on the professions and industry as well as the larger community through high-quality sub-degree, professional and continuing education programmes.

2) **Student Experience –**

Nurturing our students to become responsible global citizens and leaders is deeply embedded in the vision of the University. CUHK is committed to raising future global leaders who are imbued with strong moral character, emotional resilience, entrepreneurial mindset, innovative spirit and competencies to make lifelong contributions to society.

In promoting internationalisation, the University does not lose sight of the students' understanding of the nation and local society, with a view that global competence and local knowledge are mutually reinforcing. The University will also redouble our effort in creating a vibrant and harmonious campus and encourage student integration, devote more resources to improve student mental wellness and strengthen their resilience to better cope with adversity, and promoting diversity and inclusiveness.

Equally important, the University will ensure that students with special educational needs (SEN) are given all the necessary help and support. While the majority of the students are adept at online learning, SEN students will not be left behind, as the University prepares for teaching and learning under the “new normal”.

In CUHK 2025, the University will adopt a fourfold plan in the next five years to provide a rewarding student experience that nurtures excellence with purpose and responsibility as follows:

- Empathetic concern for the well-being of others, across local, national and

- global communities;
- Social engagement;
- Creative and adaptive life planning; and
- A growth mindset

The four-pronged approach encompasses the intra-personal, inter-personal and personal-societal dimensions of student experiences.

3) **Research and Innovation –**

Research lies at the heart of the vision and mission of CUHK, it sets its sight not only on the many opportunities in Hong Kong but also the Greater Bay Area. In the coming five years, CUHK will focus on integrating research, innovation and enterprise into a dynamic and productive continuum, a superhighway that enables the translation of research into tangible benefits and the delivery of innovation to the world. There are four strategic areas contributing to the matrix of research excellence under CUHK 2025:

- China: Tradition and Modernity;
- Innovative Biomedicine;
- Information and Automation Technology; and
- Environment and Sustainability

Research, Innovation and Enterprise must be taken as a continuum to achieve our strategic goal for the next five years, namely, to generate impact based on existing and strategically identified directions and research and innovation, and to capitalise on the opportunities available from both private sectors and the Government via Public-Private Partnership (PPP). CUHK 2025 sets its sight on establishing the University as a trusted go-to-partner for PPP. CUHK aims to complete some partnerships in the coming years to establish a strong track record.

There are several enabling strategies to achieve the goal. CUHK will strengthen the existing enabling strategies and seek new ways to realise excellence in research and innovation, with purpose and responsibility, translating ideas and inventions into positive societal impact. Besides, CUHK will take a more proactive approach to broaden and diversify research funding sources from the public and private sectors to support contract research and knowledge transfer initiatives.

CUHK will also invest more in training to nurture the next generation of researchers, inventors, innovators and entrepreneurs, and create opportunities for its students and graduates to explore new perspectives, skills and knowledge to become globally competitive. CUHK will continue to invest in engaging external consultancy and professional services to enhance its patent strategies. A supportive environment is underpinned by a culture of research integrity. In coming years, CUHK will offer more education and training opportunities to promote researchers' awareness of their

responsibilities and accountability in the conduct of research and management of research projects.

Technology platforms and innovation hubs can deepen the connections with strategic partners locally, nationally and internationally. The newly established Office for Greater Bay Area Developments is a milestone in CUHK innovation and entrepreneurship.

4) **Global Engagement –**

Uniquely positioned to serve as a bridge between China and the West, CUHK is one of the most internationalised universities in the world. Global engagement will continue to be a major focus of CUHK in the next five years and aims to:

- Nurture students with a global vision and outlook to prepare them for careers in the Mainland and around the world through the curriculum, non-local experiential learning programmes and a vibrant campus that integrates students of all cultures, religious and nationalities;
- Promote research collaboration with universities, centres of research excellence, industry, funding and policy agencies, and philanthropic organisations that would lead to world-class and impactful research; and
- Reinforce the University's reputation nationally and internationally to make CUHK the university of choice for students and a magnet of talent.

While CUHK will continue to make effort to build new partnerships with institutions in Europe, Southeast Asia, the B&R region and other parts of the world, CUHK will deepen its engagement and foster strategic partnerships in the Mainland. Multi-lateral organisations such as the Guangdong-HK-Macau University Alliance and The Association of Pacific Rim Universities (APRU) can create greater impact, as members pool their resources and tackle in concert the global challenges that affect all humanity.

Global learning and experience are critical to student success in the 21st century. It is necessary to expose students to diverse cultures, ideas, knowledge and skills that would prepare them for rewarding careers, responsible citizenship and leadership roles in a rapidly changing global environment. CUHK will also endeavour to forge new partnerships and develop more opportunities for internship and professional attachment for our students.

It is the CUHK's mission to build a diverse body of undergraduate and postgraduate students, attract talent from around the world in both teaching and research, and promote diversity and inclusiveness that would benefit the entire CUHK community and beyond.

CUHK faculty and staff are committed to excellence in education, research and service. With our faculty members and professional and administrative staff stepping

forward as champions, the University will be able to build on the strong foundation already laid and spread its wings in global engagement for excellence with purpose. CUHK will strengthen its reputation both nationally and internationally with a rebranding exercise. With the strong alumni community, many of whom occupy leadership positions in major corporations, they can be a potential force in enhancing CUHK's global reputation.

5) Talent Attraction and Development –

The quality of human capital impacts not only the core business of the University but also the future growth of Hong Kong. In providing education, research and service of the highest standards and quality, CUHK seeks to nurture future leaders, contribute to Hong Kong's economic development, help strengthen the fabric of society and address complex global challenges. In the next phase of CUHK's development, strengthening "Team CUHK" in qualitative terms will be essential and a major challenge.

Under CUHK 2025, several initiatives will be introduced to promote talent attraction and development, which is critical to the continued success of the University as a world-leading academic institution in future years. CUHK will implement a new Vice-Chancellor's Strategic Recruitment Programme, which consolidates and transforms several disparate recruitment schemes established previously into a signature global talent attraction platform, and aims to complete for the best talent and announce to the world our aim and ambition. Concerted effort will be put to recruit the best academic and research as well as professional and administrative staff. CUHK has been strengthening its appointment, annual performance review, promotion and substantiation process, with the aim of raising competitiveness and adopting best practices.

Diversity and inclusion will be a key initiative of CUHK 2025, as the University continues to grow as a world-leading university. A diverse and inclusive campus environment is vital to realising excellence with purpose and responsibility. CUHK has zero tolerance for any form of harassment. The recently established Diversity and Inclusion Office will coordinate and spearhead efforts in promoting diversity and inclusion and ensuring compliance.

CUHK will also give attention to enhancing the academic environment and campus life over the next five years. College residential capacity will be expanded, enabling more students to experience residence life on campus. Academic facilities will also be enhanced, and cyber security on campus to be strengthened. Besides, the University will develop more programmes to increase campus vibrancy.

6) Alumni Engagement and Institutional Advancement –

CUHK has been able to go from strength to strength thanks to its supportive alumni population and a strong culture of giving among all the members and friends of the University. In the next five years, alumni engagement will be proactive and aligned

with the goal of CUHK. The set of strategies proposed can be summarised as the four Es:

- **Expand** connections with alumni around the world, including local, Mainland and overseas alumni communities, while strengthening ties with undergraduate and postgraduate alumni in diverse disciplines;
- **Enrich** and foster a sustained sense of belonging, recognition and pride among alumni through an array of engagement events, communication, alumni associations and networks;
- **Enhance** valuable and positive interactions between alumni and students while capitalising on alumni's talents, expertise, networks and resources to nurture students' whole-person development and learning experience; and
- **Enlarge** partnerships among different internal units to create greater synergy and stronger impact on alumni engagement.

Apart from the above, the institutional advancement will also enhance the coordination and communication among different internal units to chart a coherent advancement strategy. CUHK will expand its donor base and aim to cultivate a stronger culture of give, while continuing its effort to pursue major gifts.

The 60th anniversary of CUHK in 2023 will be a momentous occasion. The University will be taking the opportunity of celebrating this landmark moment to draw new interest and support for its future initiatives.

7) **Social Responsibility and Sustainable Development –**

In CUHK 2025, CUHK has a vision to establish itself as a 21st Century civic university striving for excellence with a purpose and embracing social responsibility for sustainable development. The CUHK community espouses the values of people, social, and environmental and economic harmonies in the pursuit of sustainable development.

CUHK has set for itself concrete sustainable development targets in alignment with the United Nations' Sustainable Development Goals (SDGs), which apply to all areas of the University's endeavours. The University has built into its curriculum contents that cultivate the spirit of University social responsibility (USR) and help the students fulfil their duties as global citizens. The following three overarching strategies will guide the University's pursuit of the five University Social Responsibility Goals (USR Goals).

Three Overarching Strategies:

- Promoting research impact for sustainable development;
- Nurturing socially responsible future leaders; and
- Partnering communities in action

Five USR Goals:

- To improve public health through preventive healthcare research and outreach;
- To increase equal access to and the impact of quality education through creativity and technology;
- To promote diversity, inclusion and partnerships through understanding and respect;
- To pursue climate action and commit to the ambition of carbon neutrality by 2038; and
- To advocate responsible processes by setting standards and creating scalable solutions

4. ACTIVITY DOMAINS AND PERFORMANCE MEASURES

24. A regular review of universities' performance is an important element of sound governance. It allows a university 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 a university 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 student experience of teaching and learning
- Research performance and research postgraduate experience
- Knowledge transfer and wider engagement
- Enhanced internationalisation and engagement with the Mainland
- Financial health, institutional social responsibilities and sustainability

25. 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.

26. As far as is practicable, data for the performance measures is derived from existing institutional returns to the UGC, whether through 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. CUHK also acknowledges that performance measures will be adopted for the assessment of their PEPs and inform the allocation of student numbers.

27. The UGC acknowledges in its NoP (Chapter 6 on Data Collection and Returns) that, "it requires information about the activities of the UGC-funded universities 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 Student Experience of Teaching and Learning

28. The core components of the performance measures in this activity domain are intended to demonstrate that a university 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. Performance measures on student service learning and internship activities are also covered in this domain as they are significant form of experiential learning for real-life application of learning outcomes and whole-person development. In addition, with dedicated funding for universities to step up support for students with special educational needs in the 2022-25 triennium, a university should report on the satisfaction of such students to facilitate ongoing monitoring. The data for (1) and (4) under the sector-wide performance measures below are derived from a standard question in student surveys.

Sector-wide Performance Measures

- 1) (a) Undergraduate satisfaction with the quality and value gained from their teaching and learning experience
(b) Undergraduate satisfaction with their overall learning environment
- 2) Undergraduate employment success rate
- 3) Learning experience outside the classroom –
(a) Service learning activities; and
(b) Internships experience
- 4) Satisfaction of students with special educational needs

Institution-specific Key Performance Indicators

- 1) Research opportunities for undergraduates in terms of courses offered and conference attendance
- 2) Whole-person development and learning opportunities in non-credit bearing activities or competitions
- 3) Student achievements including publications and awards received
- 4) Student satisfaction with course and teacher’s performance

4.2 Research Performance and Research Postgraduate Experience

29. Performance measures in this domain are intended to illustrate that a university has strategies in place appropriate to its mission to encourage research and scholarly activities 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 experience and outcomes for research postgraduate students, including equipping them for careers appropriate to their specialism. The data for (3) under the sector-wide performance measures below are derived from a standard question in research postgraduate student survey.

Sector-wide Performance Measures

- 1) Value of total research income
- 2) Average time-to-completion, graduation rate and employability of research postgraduates
- 3) Research postgraduate satisfaction with their overall experience

30. The Agreement for the 2019/20 to 2021/22 triennium contains a sector-wide performance measure on the percentage of research activities judged to be world leading or internationally excellent as assessed in the latest RAE. As there is no plan for another round of RAE within the 2022-25 triennium, the performance measure will be temporarily excluded from the 2022-25 triennium.

Institution-specific Key Performance Indicators

- 1) Grants and awards obtained and research students supervised for inter-disciplinary collaborative projects
- 2) Academic impact and citations of University publications
- 3) Research experience of students through participation and presentations in international conferences
- 4) Student publications in academic journals / newspapers / magazines and conference

4.3 Knowledge Transfer and Wider Engagement

31. The UGC acknowledges that universities have, with regard to institutional needs, developed for various forms of knowledge transfer activities a unique data system, with a wide range of definitions for terms, calculation of quantitative indicators and interpretations for statistics. Given the diversity of knowledge transfer activities within the UGC-funded sector, we adopt a multi-pronged approach to measure universities' efforts and achievements in cultivating knowledge transfer culture and talents among students, engaging 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.

32. 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 broadly be categorised as: (i) the provision of research and business services (consultancy; collaborative research; contract research; and CPD); (ii) innovation (licensing); and (iii) public engagement (networking and public events; projects with a social or community benefit). For start-ups, quantitative data in terms of number or profits may not be truly reflective of their success as they have different forms of establishment and financial cycles. The universities are encouraged to provide a qualitative assessment on this aspect by highlighting recent development and notable cases in their annual progress reports.

Sector-wide Performance Measures

- 1) Total income from knowledge transfer via the provision of research and business services (i.e. collaborative research, contract research, consultancies, CPD)
- 2) Income generating from intellectual property as defined in CDCF
- 3) Expenditure on public engagement activities (e.g. public lectures, performance arts, exhibitions and others as defined in CDCF)
- 4) Student engagement in start-ups and entrepreneurship

Institution-specific Key Performance Indicators

- 1) Participation in knowledge transfer activities by academic staff members
- 2) Invention disclosure, patent applications filed and licenses granted
- 3) Contract research / consultancies undertaken and the income so generated
- 4) Public-private-partnerships undertaken

4.4 Enhanced Internationalisation and Engagement with the Mainland

33. Sector-wide performance measures in this domain are designed to illustrate the impact of a university'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 research collaboration with non-local institutions, the recruitment of non-local students, exchange programmes involving Hong Kong students spending part of their course in an overseas or Mainland institution and vice versa, recruitment of non-local staff, participation of staff in conferences / exchanges held outside Hong Kong, engagement with Mainland China, exposure in the GBA, 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 (in each of: undergraduate; taught postgraduate; research postgraduate) broken down by regions (Asia, Europe, North America, South America, Oceania, Africa and others) and study levels
- 3) (a) Percentage of undergraduate students with non-local university-approved formal or experiential learning experience
(b) Percentage of undergraduate students with university-approved formal or experiential learning experience in the GBA
- 4) Active research collaboration with non-local institutions

For active research collaboration with non-local institutions, it is recognised that the quantitative information to be presented may not fully reflect the qualitative understanding of university performance, such as the depth and scope of the collaborations, as well as their impact on the university's internationalisation. Universities are encouraged to supplement such information in their UAA annual reports to highlight major collaborative projects with significant achievements and potential impact.

Institution-specific Key Performance Indicators

- 1) Number of non-local students enrolled in learning activities
- 2) Percentage of professoriate staff members who possess one or more international academic or professional qualification
- 3) Student satisfaction with international learning experience
- 4) Number of establishments and projects in the GBA

4.5 Financial Health, Institutional Social Responsibilities and Sustainability

34. While universities enjoy the autonomy to allocate fund and resources, they are expected to deliver the pivotal role as publicly-funded institutions to meet the societal needs and to nurture the future generations. Measures in this activity domain are, therefore, designed to illustrate the strength of a university's governance structures and their capacity to ensure the financial sustainability 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 CUHK are detailed in the following Section Five on Governance and Institutional Management. The utilisation of student places is also a key indicator of universities' fulfilment of their accountability for public funding. On the other hand, as academic institutions, universities have transcendental roles to play in championing social responsibility and overall sustainability for the betterment of the world for our future generations. With the growing importance in environment, social and governance challenges, this domain also covers environmental and social responsibilities of the universities as a key aspect of institutional performance. For the 2022-25 triennium, the financial support for students with financial needs using non-UGC funding and the admission of students on the basis of non-academic talents to UGC-funded undergraduate programmes are introduced as new performance measures to represent universities' efforts in living up with their social responsibility.

Sector-wide Performance Measures

- 1) (a) Subventions from UGC as a percentage of total income
(b) Current ratio (i.e. current assets / current liabilities)
(c) Coverage of university's expenditure by reserves and cash & cash equivalents (defined by Hong Kong Financial Reporting Standards):
 - (i) Reserves / monthly expenditure = number of months that expenditure can be supported by reserves;
 - (ii) Liquid reserves / monthly expenditure = number of months that expenditure can be supported by liquid reserves; and
 - (iii) Cash & cash equivalents / monthly expenditure = number of months that expenditure can be supported by cash & cash equivalents
- 2) Overall student places utilisation rate
- 3) Scholarship and financial aid for students with financial needs funded by non-government funding
- 4) Number of students admitted to UGC-funded programmes at undergraduate level (in respect of the academic year covered in the report) on the basis of non-academic talents through direct admission schemes

Institution-specific Key Performance Indicators

- 1) Academic expenditure over the University expenses
- 2) Net cash generated from operating activities
- 3) Investment in capital projects (other than staff cost commitments)
- 4) Social responsibility and sustainable development

5. GOVERNANCE AND INSTITUTIONAL MANAGEMENT

35. 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.

36. 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 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.

37. 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

38. CUHK has continued to respond to the recommendations by taking the following actions:

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

39. The following induction and continuing professional development of CUHK are in place for the Council members:

- Courtesy visits to new Council members to brief them on the background and the latest development of CUHK;
- New Council members are encouraged to attend the Sector-wide Briefing Sessions for Council members organised by UGC;
- Full-day induction programme is arranged for new members;
- Full-day Council Away Day / Retreat with a series of presentations on strategic theme / development and in-depth discussion on a number of important issues selected from the agenda of the Council meeting held on the same day is organised annually for the purpose of continuing professional development of existing members;
- All Council members undergo a self-evaluation based on a skills template survey on an annual basis, thereby enabling us to formulate a skills matrix to facilitate the identification of new members when a position falls vacant; and
- All Council members are invited to participate in an annual full-day workshop to engage our members in various key initiatives.

5.2 Institutional Strategy

40. The Council of CUHK is fully involved in the development of institutional strategies flowing from its overall mission and vision, as articulated in CUHK 2025. A full-day University Strategic Planning Workshop, with the implementation progress of the Strategic Plan as a topic to be covered, was organised in January 2021.

5.3 Management of Risk

41. CUHK has put in place a risk management policy, agreed by its Council, which, underpinned by the risk management process, ensures a proper overview of strategic risks by the Council, including risk identification, assessment, mitigation and assurance. The Council's Audit Committee and Risk Management Committee, under the leadership of lay Council members, undertake periodic reviews of the effectiveness of the risk management process. Under the policy, risks are categorised into academic risks, financial risks and operational risks, with each area overseen by a senior University Officer, whilst the Vice-President (Administration) is designated as the Chief Risk Officer of the University.

42. In view of the unprecedented impact caused by COVID-19 pandemic, an Emergency Response Group has been established since January 2020 to direct and coordinate the University's efforts to tackle the threat of the pandemic, and that the decision-making process and measures undertaken by the University had been prudently guided by the principles of guarding the safety and well-being of the entire CUHK community, while minimising the disruption of the University's academic activities in ways that are appropriate under the circumstances. Proper business continuity management plan will have to be developed.

43. The institutional risk register (IRR) is in place since 2018, and the risk management process has reached a high level of maturity. The review of the IRR is conducted by the Risk Management Committee annually. The IRR reflects the importance of managing risks in an increasingly complex social environment.

5.4 Delegation of Authority

44. The Council of CUHK has from time to time reviewed its committee structure. The latest one took place in 2009 as part of the exercise in the reorganisation of the Council. In

October 2016, the Council approved the reconstitution of the Executive Committee of the Council, which was first established in 2003, to ensure a comprehensive structure of delegation is in place. Starting with the Council, there are currently 11 committees, each of which has a scheme of delegation. Each scheme sets out limits to authority, particularly in relation to expenditure and especially with regard to commercial or quasi-commercial activities, along with the framework for reporting and oversight of any use of delegated authority.

5.5 Periodic Review of Governance Arrangements

45. The Council of CUHK has approved the adoption of a “Code of Practice for Council Members” (the Code). The Code sets out the roles and responsibilities of the Council and key elements in the conduct of Council business. The Code also provides the basic values and principles with which the University has chosen to govern itself. The Code, together with the university governance arrangement, will be reviewed at least every three years to coincide with the planning cycle of CUHK as well as the UGC funding cycle, with reviews of specific areas of its activity being undertaken more frequently if needed.

46. The Council has also conducted a pilot Council effectiveness review during 2019-20. A questionnaire was sent to all Council members to collect their views on seven major areas, covering (1) governance; (2) strategic management; (3) finance; (4) accountability; (5) accomplishing Council’s responsibilities; (6) effectiveness and performance review; and (7) Council member role profiles and skills qualities. This kind of effectiveness review is also recommended to be conducted for other Council Committees and the Senate of CUHK.

5.6 Institutional Development in GBA and GBA campus

47. Regional cooperation between Hong Kong’s universities and their Mainland counterparts with new campuses in the GBA will shape the new landscape of higher education in the next few years. The strategies, visions and governance arrangements for these new campuses will have immense impacts on institutional development of the university in Hong Kong during the 2022-25 triennium. In addition, the Government has specifically cited the opportunities for collaboration in the GBA in one of the four Strategic Directions for the 2022-25 triennium. Therefore, CUHK acknowledges the need to put in place a robust governance arrangement for regional cooperation initiatives, including but not limited to the development and operation of the GBA campus as well as the associated teaching and learning activities and research collaboration, etc., to ensure strong leadership and effective oversight by the university as appropriate.

48. Life and health sciences and biomedical innovations are fundamental to enhancing Hong Kong’s global competitiveness and positioning the HKSAR as a unique hub in the GBA’s emerging research and development ecosystem. In order to develop collaboration opportunities in the GBA, CUHK has established an Office for Greater Bay Area Developments since 2020. In the “Forum on Development of The Chinese University of Hong Kong and Innovation and Technology in the Greater Bay Area” held in 2021, CUHK has also unveiled an ambitious blueprint for innovation and technology in the GBA by signing several new collaboration agreements with the Shenzhen People’s Government Offices in Nanshan, Futian and Luohu District, etc.

49. Furthermore, The Chinese University of Hong Kong, Shenzhen [CUHK(SZ)], which is jointly established by CUHK and Shenzhen University with reference to the Sino-foreign

collaborations framework for education, also features a rapid development since its establishment in 2014. CUHK(SZ) set up the School of Medicine and School of Music in 2020, and it is now offering 22 undergraduate majors and 25 postgraduate programmes by six Schools. There are more than 8,000 students and over 500 world's leading scholars and scientists joining the faculty team by 2021. CUHK(SZ) aims at providing world-class education to students in the GBA and Mainland China as a whole, the University inherits the educational philosophy and academic structure of CUHK to promote its educational ideals and moral values to new generations of Mainland students.

5.7 Implementation of Whistleblowing Policy

50. In order to facilitate the reporting of any perceived irregularities in the operation and activities of the University by members of the University (including students and staff), without fear of reprisal or retribution, a Whistleblowing Policy was developed and implemented in 2019. The Policy is now published in the Staff Handbook and University's webpage. A report is made to the Executive Committee of the Council, at least annually, on all cases that have been dealt with under this Policy.

6. UGC FUNDING ALLOCATION TO THE CHINESE UNIVERSITY OF HONG KONG

51. The amount of the block grant to the UGC-funded sector as a whole comprises three elements, with the Teaching Portion accounting for about 78%, the Research Portion accounting for about 20%, and the Professional Activity Portion accounting for about 2% when both the "existing pot of money" and the "new pot of money" for the first year of undergraduate studies under the "3-3-4" Academic Structure are taken together. As set out in the Provisional Allocation Letter on the recurrent grants for the 2022-25 Triennium, the recurrent grants to be provided to CUHK in the form of block grants during the 2022-25 triennium will be **HK\$13,803.4 million**. This figure is indicative, which may be adjusted when actual competition results on the allocation of the research postgraduate student places and RGC projects are available. The determination of the amount of the block grant to CUHK is made on the basis of the student number targets approved by the Government as follows –

Approved Student Number Targets[@] (in fte terms) for the 2022-25 Triennium

	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
Sub-degree	-	-	-
Undergraduate	14 724	14 796	14 825
- FYFD (intake places)	3 256	3 256	3 256
- Senior Year (intake places)	423	423	423
Taught Postgraduate	596	592	592
Research Postgraduate [#]	178	178	178

[@] Approved Student Number Targets are student places unless specified.
[#] Provisional Figures of the allocation of 600 student places within the total number of 5 595 under the Planning Exercise for the 2022-25 triennium. They are subject to the result of a comprehensive review on the allocation of research postgraduate places being carried out by the UGC.

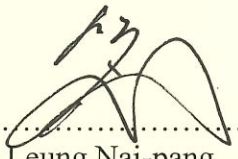
Other UGC funding

52. There are circumstances where the formula-based funding model cannot address all the various needs of the universities. As such, the UGC has made provision for specific requirements in each planning cycle, such as the funding to be allocated for Areas of Excellence Scheme, Earmarked Research Grants and the Teaching Development and Language Enhancement Grant, which should only be used for the specified purposes and in accordance with the arrangements as promulgated by the UGC.

7. FORMAL AGREEMENT


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

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


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Dr Norman Leung Nai-pang
Council Chairman
The Chinese University of Hong Kong

27 April 2022

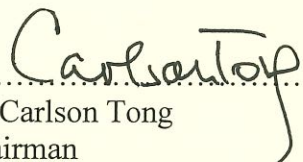
Date


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Professor Rocky S. Tuan
Vice-Chancellor and President
The Chinese University of Hong Kong

27 April 2022

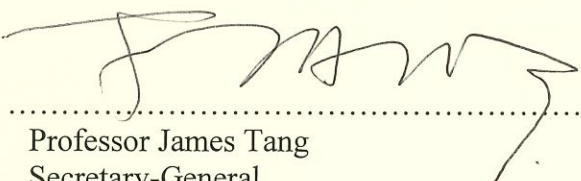
Date

Signed for and on behalf of the University Grants Committee by


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

22 April 2022

Date


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

22 April 2022

Date