

# **UNIVERSITY ACCOUNTABILITY AGREEMENT 2022/23 – 2024/25 TRIENNium**

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

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

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

- Institutional mission
- Institutional vision
- Strategic priorities and actions

## **4. ACTIVITY DOMAINS AND PERFORMANCE MEASURES**

- 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

## **5. GOVERNANCE AND INSTITUTIONAL MANAGEMENT**

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

## **6. UGC FUNDING ALLOCATION TO LINGNAN UNIVERSITY**

- Approved student number targets for the 2022-25 triennium
- Other UGC funding

## **7. FORMAL AGREEMENT**

## 1. BACKGROUND, CONTEXT AND PURPOSE

1. The University Accountability Agreement (Agreement) is a formal agreement between Lingnan University (LU) and the University Grants Committee (UGC) of Hong Kong. It serves to articulate the nature and substance of the relationship between LU 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 LU, as well as providing assurance through high-level performance measures of a commitment to continuous quality improvement. For LU, 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 LU'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. LU 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, LU 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 LU 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 LU and the UGC. This annual review will consist of a check on progress towards targets and outcomes agreed over the timeframe of LU'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 LU is made aware of the potential consequences of it continuing to act in such a way.
8. The Agreement is signed by both LU 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, LU 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\$1,459.4 million** to LU in the form of a block grant of which LU 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. LU 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, LU 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 LU, 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. LU 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. LU 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. LU 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, LU 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. LU 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 LU 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.

### **Institutional Mission**

21. LU is committed to
- providing quality whole-person education by combining the best of Chinese and Western liberal arts traditions;
  - nurturing students to achieve all-round excellence and imbuing them with its core values; and
  - encouraging faculty and students to contribute to society through original research and knowledge transfer.



## **Institutional Vision**

22. To excel as a leading Asian liberal arts university with international recognition, distinguished by outstanding teaching, learning, scholarship and community engagement.

## **Strategic Priorities and Actions**

23. High-level strategic priorities of LU over the timeframe of its strategic plan from 2022 to 2028 and more specific actions for the triennium funding period from 2022/23 to 2024/25 are presented as follows.

### *Priorities: 2022 to 2028*

24. The following seven strategic areas of the Strategic Plan 2022-28 that will guide LU's development were approved by the Council in February 2022:

- Optimising liberal arts education in the digital era;
- Augmenting postgraduate studies;
- Inspiring research with impact;
- Interfacing responsible leadership with glocal entrepreneurship;
- Bolstering institutional advancement, alumni development and branding;
- Enhancing campus infrastructure and planning campus expansion; and
- Deepening the connection to the Greater Bay Area and the rest of Mainland.

### *Actions: 2022/23 to 2024/25*

25. The key actions are as follows:

#### ***Optimising liberal arts education in the digital era***

- To further expand and develop new programmes in priority disciplines to serve specific societal needs, such as *creative arts, cultural and creative industries, digital economy, big data, AI, risk management and insurance, and innovation and entrepreneurship, health and social services, gerontechnology and well-being, counselling and positive psychology and ecology and environmental protection*
- To explore the feasibility of introducing double degree programmes by the University itself or in collaboration with other institutions
- To consider the possibility of introducing fully online programmes, in addition to programmes delivered through traditional face-to-face classes or a hybrid mode
- To establish the School of Interdisciplinary Studies to encourage interdisciplinary studies by building on the niche areas and interdisciplinarity across the three Faculties
- To further enrich students' international learning experience through various forms of regional and international outreach and experiential programmes
- To enhance undergraduate teaching and learning by focusing on four areas of strategic priority: learning enhancement, learning innovation, learning analytics and learning design
- To build on, systematise and enhance the utilisation of teaching and learning data to inform teaching and learning change



### ***Augmenting postgraduate studies***

- To continue to develop new PG programmes to serve specific societal needs in the following priority disciplines:
  - Arts: Art, culture and creative industries
  - Business: digital economy, big data, AI, risk management and insurance, and innovation and entrepreneurship
  - Social sciences: health and social services, gerontechnology and well-being, smart city, counselling and positive psychology
  - Science: ecology and environmental protection
- To organise collaborative research and postgraduate courses with Mainland / overseas institutions
- To develop joint RPg programmes through partnerships and collaborations with renowned Mainland and overseas institutions
- To expand taught postgraduate (TPg) programmes with a strong international orientation and some with professional orientation / recognitions, building on the strengths of LU and its strategic partners
- To continue expanding the number of RPg students to create a critical mass for further enlivening the research environment
- To contribute to regional / national development by nurturing talents in relevant disciplines such as those needed in the Greater Bay Area Strategic Development Plan and the Belt and Road Initiative
- To offer multi-campus learning experiences

### ***Inspiring research with impact***

- To support strategic thematic research areas to increase the number and monetary value of competitive research and KT grants
- To achieve more “world leading” (4-star) and “internationally excellent” (3-star) ratings in UGC’s future Research Assessment Exercise
- To recruit talents to strengthen strategic research clusters
- To develop international and regional inter-university platforms to promote research collaboration, publication and KT
- To reach out to the wider community in Hong Kong and overseas for joint research funding
- To pursue emerging industrial partnerships and research collaboration for environmental sustainability
- To raise LU’s prominence in promoting cultural exchanges with the establishment of the Advanced Institute for Global Chinese Studies

### ***Interfacing responsible leadership with glocal entrepreneurship***

- To nurture caring leaders with glocal vision - a global perspective anchored in local and national heritages, including knowledge about Hong Kong’s Basic Law, National Security Law and China’s Constitution
- To cultivate whole-person development to prepare students for the employment landscape and to nurture them to remain competitive glocally and to act responsibly in the changing world
- To facilitate and provide tailor-made learning support for all students, including those with special educational needs



- To provide more opportunities for students by expanding collaborations with partners in the Greater Bay Area to incubate start-ups, develop suitable technology, and engage them in innovative and entrepreneurial activities in the region and beyond.
- To strengthen exchange programmes, overseas internships and international Service-Learning programmes

***Bolstering institutional advancement, alumni development and branding***

- To increase the number of new donors and enhance communication with existing donors
- To raise funds for signature programmes, such as the Global Development and Sustainability Programme, Data Science Programme, and Risk and Insurance Management Programme, and for the University's established research areas that exhibit great strengths
- To initiate fundraising programmes to raise funds for the Lingnan Hub and other initiatives such as the "LU Entrepreneurship Fund"
- To strengthen alumni relationship and network and enhance the sense of pride of alumni
- To emphasise LU's excellence in quality education, impactful research, KT and social engagement, and implement a university-wide strategy for the enhancement of brand awareness and visibility
- To further expand our local, Mainland and international stakeholders network and keep them abreast of the latest development at LU

***Enhancing campus infrastructure and planning campus expansion***

- To build the teaching laboratories for Music, Science and AI courses
- To construct the Lingnan Hub, a staff quarters cum co-living space
- To continue to expand our existing provision of learning spaces in alignment with prevailing technology
- To acquire additional teaching facilities beyond the Tuen Mun Main campus
- To set up a city centre to serve the wider community

***Deepening the connection to the Greater Bay Area and the rest of Mainland***

- To formulate a Mainland strategy and designate an office to provide oversight on Mainland matters
- To establish Institutes of Advanced Studies and innovation centres with Mainland institutions for joint research, PhD training and wider R&D engagement
- To explore with Mainland institutions to develop a collaborative campus in the Greater Bay Area or other locations on the Mainland with adequate and reliable fiscal support

#### **4. ACTIVITY DOMAINS AND PERFORMANCE MEASURES**

26. 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

27. 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.

28. 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. LU also acknowledges that performance measures will be adopted for the assessment of their PEPs and inform the allocation of student numbers.

29. 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**

30. 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) Percentage of graduates having research training through capstone projects / supervised individual / group research
- 2) Percentage of students attending leadership training
- 3) Percentage of students participating in diversified whole-person development co-curriculum learning experience
- 4) Percentage of students participating in educational activities that enhance moral education and social responsible citizenship

## **4.2 Research Performance and Research Postgraduate Experience**

31. 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
32. 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) Percentage of research output in support of United Nations Sustainable Development Goals
- 2) Percentage of graduating research postgraduate students having publications
- 3) Percentage of postgraduate students participating in local / regional / international research events
- 4) Number of projects per academic staff member that is relevant to economic change / social progress / policy discourse / cultural enrichment / human betterment

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

33. 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.

34. 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) Total income from knowledge transfer (KT) activities
- 2) Number of media reports on scholar insights (i.e. LU's faculty policy advocacy and media engagement / staff contributions to newspaper columns. etc.)
- 3) Number of beneficiaries (e.g. professionals, practitioners, etc.) in professional development activities
- 4) Number of beneficiaries in KT / community activities

## **4.4 Enhanced Internationalisation and Engagement with the Mainland**

35. 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 partnerships with target institutions and organisations
- 2) Percentage of students participating in international / mainland (including Macao and Taiwan regions) service learning / internship / entrepreneurship and other forms of experiential learning projects or opportunities
- 3) Level of satisfaction with the learning quality of outgoing exchange
- 4) Percentage of students participating in international / mainland (including Macao and Taiwan regions) learning through hybrid mode of delivery

## **4.5 Financial Health, Institutional Social Responsibilities and Sustainability**

36. 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 LU 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) Funds from donation as a percentage of total income of the University
- 2) Percentage of students participating in programmes in promoting United Nations' Sustainable Development Goals
- 3) Percentage of electricity generated by renewable energy

## **5. GOVERNANCE AND INSTITUTIONAL MANAGEMENT**

37. 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.

38. 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.



39. 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

40. LU has continued to respond to the recommendations by taking the following actions:

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

41. The Council Secretariat has been organising an induction programme (including a campus visit) for all new Council Members in which they are provided with information about the functions of the Council and the responsibilities associated with their appointment. They receive the relevant background documents at the time of their appointment, including, for example, the University Accountability Agreement, the Code of Practice of Members of Council, the University's annual report, financial statements, the Strategic Plan, and the rules and procedures of the Council.

42. With a view to helping Council Members stay up-to-date with LU's current and future developments, the University regularly sends them copies of the University's newsletter and other publicity materials about LU and they are invited to participate in University events and functions. There is a responsibility for members of the Council to keep themselves informed of the best practices and developments in corporate governance.

43. A "skills template" for identification of candidates to serve on the Council of LU for supporting its work and a number of standing committees has been formed with a view to covering the key functional areas of the University's operations. The Council will periodically review its skill set composition as a whole in order to ensure that a balanced pool of expertise is available to cover all necessary areas of work.

### **5.2 Institutional Strategy**

44. The LU Council, as the supreme governing body of the University, is responsible for ensuring the effective governance of the University and planning its future development. It is fully aware of its vital role in strategic planning, and is actively involved in the development of LU's vision, mission and strategies. Council Members were invited to participate in the Strategic Planning Retreat in May 2021 and continued to be consulted on the formulation of LU's Strategic Plan 2022-28 which was finally approved by the Council in February 2022.

### **5.3 Management of Risk**

45. The Council is also responsible for overseeing the University's risk management to ensure that the major institutional risks, both financial and reputational, are clearly identified and effectively managed. The Audit Committee assists the Council in regularly reviewing the



effectiveness of LU's risk management process and system as recommended by the Risk Management Committee established under the President and Central Administration of the University.

46. The Risk Management Committee, with support from LU's Risk Officer and Enterprise Risk Management Group, reviews and revises as appropriate LU's Risk Register and Risk Appetite annually and makes recommendations for approval by the Council. A risk awareness culture has been embedded in LU's strategic planning and operation, and LU will continue to monitor and manage the identified risks effectively with its Risk Management System.

#### **5.4 Delegation of Authority**

47. LU has in place a comprehensive structure of delegation. Under the Council, there are 11 standing committees, and each is governed by a clear set of terms of reference approved by the Council which include a scheme of delegation that sets out the limits of delegated authority as appropriate. The Council's standing committees support the Council in conducting its business and in evaluating the performance of the university against its planned strategies and operational targets. The Council receives regular reports from its standing committees. Each Council standing committee also reviews its terms of reference annually to ensure that the committee is working within its powers and duties, and makes recommendations for consideration by the Council.

#### **5.5 Periodic Review of Governance Arrangements**

48. The Council of LU reviews the governance arrangements on a regular basis, at least once every six years, with specific areas undergoing more frequent reviews if needed. LU's six-year Strategic Plan is updated and extended once every three years.

49. The academic and research collaboration with the Mainland, especially the GBA, present abundant opportunities yet immense challenges to the University's operation and governance in the next few years. To manage the risks associated with the University's development in, and collaboration with, the Mainland, the Council has set up a new "Committee on LU's Mainland Development" to advise and make recommendations on aspects of LU's strategic planning and development in the GBA and beyond.

### **6. UGC FUNDING ALLOCATION TO LINGNAN UNIVERSITY**

50. 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 LU in the form of block grants during the 2022-25 triennium will be **HK\$1,459.4 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 LU is made on the basis of the student number targets approved by the Government as follows –



### Approved Student Number Targets<sup>@</sup> (in fte terms) for the 2022-25 Triennium

	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>
Sub-degree	-	-	-
Undergraduate	2 399	2 454	2 444
- FYFD (intake places)	511	511	511
- Senior Year (intake places)	195	195	195
Taught Postgraduate	-	-	-
Research Postgraduate <sup>#</sup>	3	3	3

<sup>@</sup> Approved Student Number Targets are student places unless specified.

<sup>#</sup> 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

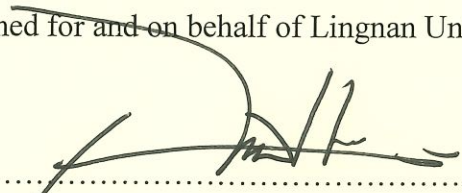
51. There are circumstances where the formula-based funding model cannot address all the various needs of the universities. As such, the UGC has made provision for specific requirements in each planning cycle, such as the funding to be allocated for Areas of Excellence Scheme, Earmarked Research Grants 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.



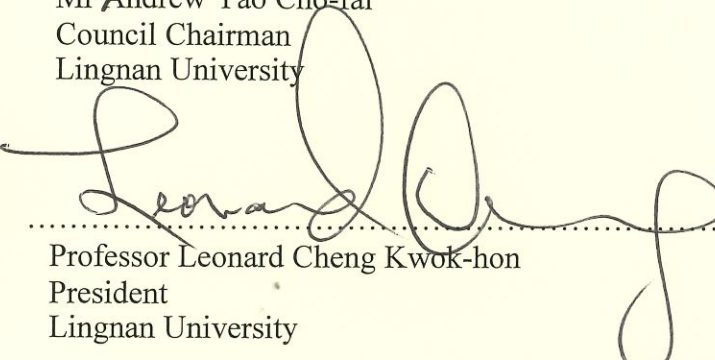
## 7. FORMAL AGREEMENT

52. This University Accountability Agreement represents an agreement between Lingnan University and the University Grants Committee.

Signed for and on behalf of Lingnan University by

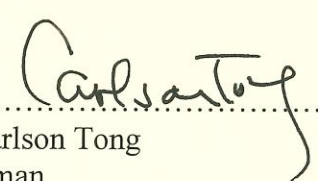
  
.....  
Mr Andrew Yao Cho-fai  
Council Chairman  
Lingnan University

28 April 2022  
.....  
Date

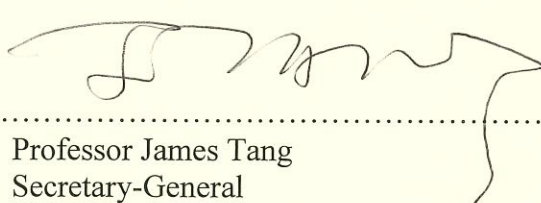
  
.....  
Professor Leonard Cheng Kwok-hon  
President  
Lingnan University

28 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