

# **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 Hong Kong Polytechnic University (PolyU) and the University Grants Committee (UGC) of Hong Kong. It serves to articulate the nature and substance of the relationship between PolyU 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 PolyU, as well as providing assurance through high-level performance measures of a commitment to continuous quality improvement. For PolyU, 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 PolyU'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. PolyU 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, PolyU 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 PolyU 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 PolyU and the UGC. This annual review will consist of a check on progress towards targets and outcomes agreed over the timeframe of PolyU'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 PolyU is made aware of the potential consequences of it continuing to act in such a way.
8. The Agreement is signed by both PolyU 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, PolyU 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\$10,045.8 million** to PolyU in the form of a block grant of which PolyU 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. PolyU 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, PolyU 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 PolyU, 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. PolyU 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. PolyU 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. PolyU 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, PolyU 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. PolyU 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 PolyU 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. The mission of PolyU is threefold:
- (1) To pursue impactful research that benefits the world.
  - (2) To nurture critical thinkers, effective communicators, innovative problem solvers and socially responsible global citizens.
  - (3) To foster a PolyU community in which all members can excel in their aspirations with a strong sense of belonging and pride.

#### **Institutional Vision**

22. Be a leading university that advances and transfers knowledge, and provides the best holistic education for the benefit of Hong Kong, the nation and the world.

#### **Strategic Priorities and Actions**

23. The high-level strategic priorities of the current Strategic Plan (2019/20 – 2024/25) of PolyU are outlined in the table below.



Strategic Plan Domain	Strategic Priority of Domain	Key Actions
<p><b>The quality of the student experience of teaching and learning</b></p>	<p>To nurture holistic professionals for the future.</p>	<p>To develop students' academic, personal and inter-personal skills by enhancing their learning experience via a refined curriculum. Further to a solid foundation built during the COVID-19 pandemic, an effective blend of face-to-face and online modes, interactive pedagogies, and education technologies will be enhanced to promote independent and collaborative learning, foster students' confidence, improve their communication skills, and allow space for the acquisition of generic skills and adaptability for the future.</p> <p>To identify themes of interdisciplinary Service-Learning, social innovation projects as well as Work-integrated Education (WIE) for deeper and broader impact. To enhance international exposure and instill global outlook of students through various exchange activities overseas.</p> <p>To adopt a more dynamic mechanism of student admission and progression pathways and upgrade programmes to support the digital transformation of society and industry.</p>



Strategic Plan Domain	Strategic Priority of Domain	Key Actions
<b>The quality of research performance and of research postgraduate experience</b>	To scale new heights of knowledge creation.	<p>To build up high-impact interdisciplinary research areas, a cutting-edge research infrastructure, and high-quality, diversified research postgraduate programmes.</p> <p>To cultivate a mutually supportive, interdisciplinary and forward-thinking research culture.</p> <p>To enhance flexibility in accommodating postgraduates' needs arising from unexpected critical circumstance such as the deterioration of COVID-19 pandemic in areas such as stipend, work and leave arrangements.</p>
<b>Knowledge transfer and wider engagement</b>	To deepen university-community collaboration for greater synergy and impact.	<p>To be the leading institution for Knowledge Transfer (KT) and entrepreneurship, advancing impactful ventures for PolyU's research and technologies.</p> <p>Be a centre of excellence for staff and student entrepreneurship through a two-tier strategy addressing both broad practice and depth.</p> <p>To enhance academic- and student- led entrepreneurship in collaboration with industry and community.</p>
<b>Enhanced internationalisation and engagement with the Mainland</b>	To be a world leading university with global impact.	<p>To strengthen our focus on internationalisation and engage the Nation across our education, research and knowledge transfer endeavours so as to achieve global excellence and reputation.</p> <p>To deepen the University's engagement with the Nation and in particular strengthen the University's reach into the GBA.</p>



Strategic Plan Domain	Strategic Priority of Domain	Key Actions
<b>Financial health and institutional social responsibilities and sustainability</b>	To innovate and integrate for institutional advancement.	<p>To sustain financial health and enhance our infrastructure and people capabilities to support the strategic development of the University. To provide an ambience that is conducive for students, staff and the University to excel.</p> <p>To foster a culture of strive-for- excellence, cohesiveness, diversity inclusiveness, and environmental and social responsibilities.</p> <p>To nurture students making a positive impact on society and having a strong sense of national identity with enhanced whole-person development and value education.</p>

#### 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. PolyU



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) Average annual income of fresh graduates
- 2) Undergraduate satisfaction with subjects and teachers measured in the Student Feedback Questionnaire
- 3) Percentage of subjects adopting blended learning approaches
- 4) Number of UGC and national / international teaching awards and the total amount of external teaching grants received in the last three years

#### **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) (a) Citations per output  
(b) Field Weighted citation impact of journal publications
- 2) Employment status of Doctor of Philosophy graduates in terms of percentages of graduates
- 3) Amount of research grant from RGC and ITF per faculty member
- 4) Percentage of research postgraduate students with industry and international experiences (industry internship, research exchange, academic visits, laboratory attachment, research training, professional workshops etc.)

### **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) Rolling 3-year average number of patents licensed
- 2) The ratio of the amount of follow-on external investment and funding support secured by PolyU-supported start-up companies to the funding support provided by the University
- 3) Number of jobs maintained and created through PolyU supported start-up companies in the financial year concerned
- 4) Number of strategic partnerships for knowledge transfer, entrepreneurship, social innovation and wider engagement activities

## **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) Percentage of non-local undergraduate student enrolment from Belt and Road countries
- 2) Percentage of full-time academic staff with substantial educational or working background (non-local PhD or 3 years or above working experience in higher education sector) outside Hong Kong
- 3) Percentage of undergraduate students with non-local service-learning or Work Integrated Education experience

### **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 PolyU 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) Percentage of expenditure for teaching, learning, student and general educational services, research to total expenditure
- 2) Carbon emission per capita (all staff and students)
- 3) Number of service learning projects in partnership with other academic institutions, government agencies, NGOs, charitable foundations / donors, community sponsors, etc.

## **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. PolyU 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 Council Membership Nominations Committee makes recommendations to Council with regard to the appointment and re-appointment of Council Members under section 10(1)(d)(ii) of the PolyU Ordinance. The identification of potential Council Members is made with reference to a skills template to ensure that the PolyU Council possesses a balanced mix of skills, experience and diversity needed to guide the development of PolyU.

40. Council members are provided with proper induction as well as on-going training and development programs pertaining to the core functions of PolyU and updates on governance issues so that Council members can have a comprehensive understanding of the operation of PolyU for their discharge of their duties.

## **5.2 Institutional Strategy**

41. The Council of PolyU is fully involved in the development of institutional strategies and priorities flowing from its overall mission and vision, as articulated in the 2019/20 – 2024/25 Strategic Plan of PolyU.

## **5.3 Management of Risk**

42. PolyU has in place an Enterprise Risk Management Framework, agreed by its Council. The framework and the risk management process ensure a proper overview of strategic and key operational risks by the Council, including risk assessment, mitigation and assurance. The Council's Audit Committee undertakes periodic reviews of the effectiveness of the risk management process.

## **5.4 Delegation of Authority**

43. PolyU has in place a comprehensive structure of delegation, starting with the Council and its Standing 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 activities, along with the framework for reporting and oversight of any use of delegated authority. Proper reporting mechanisms are in place to keep Council informed on a regular basis of actions taken by the Council Standing Committees and the President with authority delegated by the Council.

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

44. The PolyU Council recognises the need to conduct regular review of governance policies and arrangements for further improvement and to cope with the changing expectations in higher education as well as within the community.

45. The Governance Committee of the Council is entrusted with the responsibility to review from time to time the effectiveness of prevailing policies, systems and procedures on governance issues, and to recommend improvements for Council's consideration where necessary.

46. 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, PolyU 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.

## 6. UGC FUNDING ALLOCATION TO THE HONG KONG POLYTECHNIC UNIVERSITY

47. 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 PolyU in the form of block grants during the 2022-25 triennium will be **HK\$10,045.8 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 PolyU 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	599	-	-
Undergraduate	13 140	13 194	13 223
- FYFD (intake places)	2 351	2 351	2 351
- Senior Year (intake places)	1 750	1 750	1 750
Taught Postgraduate	-	-	-
Research Postgraduate <sup>#</sup>	54	54	54

<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

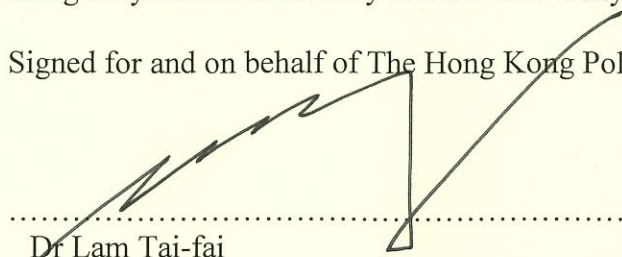
48. There are circumstances where the formula-based funding model cannot address all the various needs of the universities. As such, the UGC has made provision for specific requirements in each planning cycle, such as the funding to be allocated for Areas of Excellence Scheme, Earmarked Research Grants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


49. This University Accountability Agreement represents an agreement between The Hong Kong Polytechnic University and the University Grants Committee.

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

  
.....  
Dr Lam Tai-fai  
Council Chairman  
The Hong Kong Polytechnic University

3 May 2022

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Date

  
.....  
Professor Jin-guang Teng  
President  
The Hong Kong Polytechnic University

3 May 2022

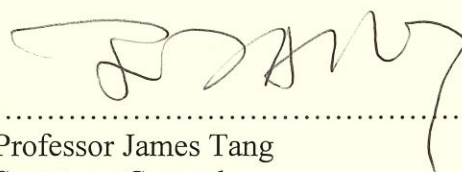
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Date

Signed for and on behalf of the University Grants Committee by

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

22 April 2022

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Date

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

22 April 2022

.....  
Date