

HUMANE

**Heads of University Management & Administration Network in Europe**

SEMINAR

**Université Claude Bernard Lyon 1**

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## **“Accountability”**

<b>Summary</b>
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The seminar opened with a kind welcome by the President of the Université Claude Bernard, who pointed out that recent changes concerning structures and rules of governance at national level had led to what he called “une petite révolution”, with a number of new problems. However, in another introductory speech of welcome, our co-host Françoise Granger (Ecole Normale Supérieure de Lyon) recalled that when a university had been established in Lyon 100 years earlier there had been a specific expression of thanks for equipment bought with public funds. It was therefore clear that the idea of financial responsibility was long-established. This was the idea which would be re-examined in the present seminar.

### **Session 1**

**Autonomie et responsabilité d’une grande université française**

***Jean-Pascal Bonhotal – Université Claude Bernard, Lyon***

***François Paquis – Université Blaise Pascal, Clermont-Ferrand***

This dual presentation examined the position of the host university (UCBL) in relation to the national situation outlined first by François Paquis. François noted that in theory universities were free to look after their own funds, but that in practice there was not a great deal of solid autonomy. The words and ideas in official texts were not entirely matched in the situation on the ground.

Since 1989 universities had been able to negotiate with the State for small amounts of money. There were some positive aspects to this, for example the need for self-evaluation, a greater awareness of funding possibilities, and a potentially more dynamic role for the university President and his team. These features were enhanced by the change to lump-sum budgets. However, flexibility or diversification of funding sources was quite difficult when the State input was very rigid, with many earmarked (hypothecated) funds, and when certain key items were not included in the university's own budget - for example, staff salaries were separate, and universities did not own their own estate.

There had been progress, notably in the area of contracts and target-setting, with negotiations on plans put forward by the university. This involved four-year plans and an account of strengths and weaknesses. This had produced a greater sense of awareness and a more transparent role for the administration. However, such progress had in itself shown up weaknesses, and François illustrated various issues which could be examined in any future review of the present system – notably, the extent to which such contracts or agreements with the State were binding, the issue of staff salaries, and the ownership of the estate.

A further area of major change was that of budgetary allocations. Instead of a regular series of contributions for particular items through the year, the university would now receive a single lump-sum. This entailed criteria and choices for resource allocation and activity. Meanwhile, there was

pressure to extend sources of income, and universities would need to be careful to avoid falling from over-reliance on the State to an extreme dependence on some other source of funding.

**Jean-Pascal Bonhotal** then elaborated on this general review by looking at four main themes in the context of his own university, the third biggest in France with 27,000 students and 5,000 staff.. Each theme was examined in terms of internal and external autonomy and accountability. The four main themes were as follows:

The **structure** of the university was very democratic, with representation of the Faculties at all levels.

While on the one hand it was true that no other public service in France enjoyed the same constitutional autonomy as universities, there were a number of practical limits, and a particular need to be able to account for all spending. Jean-Pascal drew attention also to the relatively recent innovation of undergraduate departments to set alongside the various research schools and federations. The main advantage of this democratic structure was internal consensus on major issues, but the corresponding disadvantage was the extreme slowness of decision-making.

**Teaching and Training** offered the most elastic form of autonomy. Universities are free to determine the content of their courses, except for certain degrees awarded by the State, and there is no formal quality control. UCBL had used this freedom very considerably, for example to encourage inter-disciplinarity, and to develop professional training. This had led to a growth in numbers.

In **research** the university was free to develop its own research themes, but the State gives grants only to laboratories or units which have been recognised on the Ministry's approved list. Contracts and funding are worked out on a four-year basis. UCBL also has its own company for commercialisation (EZUS-Lyon 1), which contributed 60% of research funding for the institution. This large company, with a turnover of 25 million euros, naturally requires accountability for customers and stakeholders. The *Conseil Régional* helps with new subjects of research, and with campus development or student activities.

In respect of funding, the university's basic budget showed a 60% contribution from the government, but if one added the EZUS funds the ratio was 45% from the State to 55% of its own funds. This in turn reflected the French situation whereby staff salaries were not part of the budget - if one included such salaries it was true that 80% of funds came from the State. J-P B felt that the introduction of global budgets spread over several years had actually reduced the amount of accountability – the main external audits were rather infrequent and irregular. UCBL had therefore developed its own methods of checking expenditure (for example, scrutiny by a Finance Committee, but also technical measures such as performance indicators).

**Discussion** of this dual presentation focused on the inter-relationships between the key figures at the head of the institution. For example, to whom is the *Secrétaire-Général* accountable, the University Board or the Minister of Education? It was explained that, following a public announcement of available posts, the University President chose the person who seemed most suitable, for a maximum of ten years. The *Secrétaire-Général* was then directly responsible to the President, who could terminate his or her contract at any time. Various participants found this a difficult position, relative to accountability, since it seemed to create an obvious clash of loyalties if the *Secrétaire-Général* were to feel obliged to investigate or complain about the activity of the President himself, or of close contacts. There was a contrast with the British position where the University Secretary was responsible to the Board, in a triangular relationship with the Vice-Chancellor. The fact that in terms of French law the President was ultimately responsible meant that the relationship was different.

A further issue concerned the fact that staff were civil servants as opposed to university employees – had any thought been given to changing this position. It was explained that the status of civil servant was a profoundly cultural issue, and that while there was some support for a change such views were heretical.

On the issue of autonomy concerning buildings, Jean-Pascal referred again to the recent decision giving universities responsibility for the upkeep of their buildings and estate, which nevertheless remained in the hands of the State. He estimated that UCBL would need about 50m FFR to do this properly – with the problem that there were no extra State funds! Apart from this financial constraint the presenters did feel that the legislation had been beneficial and positive.

## Session 2

### **The Role of the Head of Administration in preserving institutional integrity and adherence to the standards of public accountability**

**John Lauwerys, University of Southampton**

John Lauwerys suggested that the Head of Administration in a University has a particular responsibility for ensuring that his/her University acts in accordance with the national and international law as it affects the University, along with the University's own governing rules or internal laws. In general this role is carried out as part of the normal professional role of the Head of Administration and rarely causes internal conflict or significant difficulties.

On relatively rare occasions some senior members of the University, including even the Rector (President) may propose to act in ways which conflict with the University's own established procedures and contrary to proper standards of public conduct. In recent years in the UK there had been a number of such instances which led to public criticism when the facts became known, and even to investigation by the National Audit Office (an office which is responsible to Parliament for the proper expenditure of public funds). This led to full reports being published and measures being subsequently taken to reduce the likelihood of repetition of these problems.

John then went on to draw on four major case studies to examine the position of the Head of Administration when such serious events occur. His comments on these UK universities were all taken from the publicly available reports published by the National Audit Office. The activities which had been criticised included excessive overseas visits (with family members), abuse of privileges such as official transport, nepotism, and a lack of full reporting to the governing body.

On this basis he suggested some general principles which one might establish to protect institutional integrity and proper standards of public accountability. Crucially, he suggested that the Head of Administration has an absolutely central role in providing such safeguards - this raised an immediate contrast with the situation in France since most of the case studies from Britain showed how the Vice-Chancellor himself had been under investigation for abuse of his position. In all cases, there had been a situation where the governing body of the university did not know what was going on. He therefore reached four main conclusions regarding common factors from the case studies:

- The Vice-Chancellor or Principal in each case had lacked proper ethical standards and judgement
- The Vice-Chancellor had been too close to the Chair of the governing body
- There had been a lack of openness or proper reporting procedures
- None of the HEIs had had a sufficiently senior member of staff to deal with the issues.

John drew attention to the work in Britain of the Committee of Standards in Public Life, first set up under the chairmanship of Lord Nolan and which had elaborated a set of seven principles of conduct for public servants, known now as the Nolan Principles:

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

Requirements were that the head of administration should hold a senior position immediately below that of the Rector, and with a direct line of responsibility to the governing body. He or she should have a permanent contract with a high level of job security, and should of course possess high standards of professional competence and personal integrity..

In *discussion*, there was some surprise among participants that systems of audit had not worked. It was observed that (for example) in the Netherlands consultants had audit functions both for finance and for general management. John Lauwerys noted that in the UK there were systems both for internal and external audit, but that generally such measures involved either overviews or samples. The key issue was that of whistle-blowing. John also assured participants that there were procedures in place in most universities, but that a determined or powerful individual might still find ways to by-pass such rules. Participants recognised that control by the head of administration was both necessary and difficult. John also stressed that the four prominent cases which he had

mentioned involved only two universities out of more than 100, with the other two institutions being sub-university units of higher education.

The view was also expressed that while the presentation had focused on behaviour at the top of the organisation there was a need for all staff to be operating under the same principles.

## Session 3

# Autonomy and accountability of Dutch universities - trends, challenges, and threats

*Jef van de Riet, Tilburg University*

Jef van de Riet explained that in the early 1980s, Dutch universities had been confronted with severe retrenchments. The first retrenchment operation, which went by the name of *Taakverdeling en concentration* ("division of tasks and concentration"), took place in 1983, leading to a cutback in the number of faculties and programmes of study. A special committee drew up proposals pertaining to the closure of programmes of study at each university. These proposals were taken over by the government. This process was repeated in 1987 under the name *Selectieve groei en krimp* ("Selective growth and shrinkage"), which not only closed down programmes of study but created new ones. This time, it was the government itself which masterminded the whole operation.

Together with these budgetary cuts of about 20%, the financial autonomy of the universities was extended, with budgets increasingly being allocated as lump sums. Specially earmarked allocations began to disappear altogether, culminating in 1995 in the transfer of the buildings and grounds to the universities. The budget for buildings and major repairs was divided among the universities and added to the lump sum budget. The autonomy of the universities also became greater when they became employers in their own right (1994) and adopted a new management structure (1998). Generally, Jef reported a view among colleagues (shared by members from other countries) that the

“gift” of autonomy was actually a way of transferring awkward problems of resource allocation from government.

Parallel to this development, the universities had taken up the challenge and given a new interpretation of their accountability to government and society. For example, a new system was developed in the 1980s to test the quality of teaching and research (visitation system), and in the annual report an account is given of the financial and social policies of the university. At his own university an annual publication lists research interests and links, and this book was used by press offices and others. Autonomy in teaching was restricted in that it was not possible to start a new teaching programme without permission, and bearing in mind national provision in the subject.

For a time, it seemed as if a stable budget perspective had been found, and that autonomy and accountability were in equilibrium. However, over the past three years new money had become available to the universities. This money was not added to the lump sum, but rather had to be “earned” - through all kinds of bureaucratic procedures - by applying to the government or committees. In addition, the government had imposed new and tighter rules for financial management, and a bill had been introduced in Parliament to switch to a system of accreditation for programmes of study, threatening a new wave of bureaucracy. Thus new money meant new rules as well.

To escape from this bureaucracy, the universities have increasingly been moving into the market, and it appeared that there was even talk of ending the government funding of the Master programmes. But at the same time there was centralisation of a different kind in that a collective employers’ organisation (VSNU) had been set up, and was now responsible for negotiating working conditions for employees. This did allow for some freedom on the part of individual institutions, and so it was still possible for Jef to conclude that over the past twenty years autonomy had increased significantly.

Many of the questions in *discussion* concerned the issue of accreditation, which was found by many participants to be an expensive business. Jef clarified that the visitation system was indeed funded by the universities themselves.

It was also noted that over several decades the Dutch system had moved from being one of the most overtly democratic systems in Europe to an extremely managerial style. In the light of this, questions

were asked about the way in which this had affected internal accountability. Jef observed that there was now less need to consult the university Council on changes in policy, and generally less time was spent on internal process.

#### **Session 4**

##### **Autonomie et responsabilité des universités de la Communauté française en Belgique - Le cas de l'Université catholique de Louvain**

**Anne-Marie Kumps, Université catholique de Louvain**

Anne-Marie Kumps outlined the legal basis of higher education in Belgium, and the particular constitutional changes effected in 1988 and 1989. She emphasised in particular the universities of the French Community, and the difference between State-funded and so-called “free” institutions (universités “communautaires” et “libres”), before moving on to concentrate on the Université catholique de Louvain UCL), which was a free university based on religious affiliation but also with public subsidies.

After a description of UCL she examined the degrees of autonomy relating to various areas such as governance, teaching and research, finances and human resources, as well as estates. She described the situation as being one of broad-based autonomy with constraints in certain areas, and discussed the relative chances of a future with more autonomy or more limits.

#### **Session 5: Accountability of Universities in the UK – the Challenge for University Managers**

**Ian Powell, University of Exeter**

Ian Powell based his presentation on his own experience, having worked for nearly 40 years in various UK universities, and also in the national body which is responsible for distributing public money to individual universities.

After an introduction on the status of UK universities as institutions legally separate from the State, he briefly compared the size of the UK system in 1960 and in 2000 – the number of universities had increased from 30 to over 110, while student numbers had increased sixfold, with a very great increase in the total amount of public funds going to universities. Rather than 5% of school-leavers entering university, the figure was now 33%. In this context he then described the environment of governance and accountability for universities in 1960: institutions were small, élite and dominated by the idea of academic autonomy and self-government; the idea of accountability to anyone outside the university, or outside the body of academics, was imprecise and implicit. By contrast, in 2000 there were larger institutions with multiple functions, accountable to various external and internal groups, all of whom consider that they have rights in respect of the university; accountability was now clear and explicit. Ian explained the nature of these multiple accountabilities, which included society and the public, government, students and their parents, the local region, and industry in general. Moreover, interest groups such as alumni, funders and benefactors, and all recipients of services, not to mention new bodies such as the European Union, meant that accountability was a very broad concept.

The changed nature of accountability had produced a major challenge for those responsible for managing universities : senior academics and professional administrators had a much more complex and demanding role to play than in previous times. However, in Ian's view the challenge was also an opportunity to introduce a culture of more professional management and to develop professional values, even if there were also numerous possibilities of conflict between the individual professional values of managers and the self-interest of the university. Examples of such conflicts were given, developing some of the issues raised on the previous day by John Lauwerys. For example, the moral dilemmas caused by the temptation to present data in the most flattering light for the institution, or to indulge in public relations. Similarly, there were ethical problems inherent in accepting funds from non-public sources which were deemed to be anti-social.

The essential answer was for heads of administration to state professional values and ensure that all colleagues worked in accordance with them – the seven principles of public life were an important guide. But ultimately the message had to be that survival depended on management rather than (mere) administration, with proper risk assessment and regular communication to all relevant staff.

The expression relates to the enforcement of rules by referees in various sports. Blowing the whistle in this context is when an employee alerts the organisation to dishonesty or improper practice (for example, in safety procedures) on the part of others. In order that such

complaints may be made without fear, good employers will put in place procedures to protect the anonymity and working conditions of such “whistle-blowers”.

= reduction

= relating

The word illustrates how English forms verbs from many sources. The two words “master” and “mind” first become one word to describe a person with great knowledge, and particularly someone who inspires or controls the ideas behind an organisation. Then it becomes a verb, to mastermind, with (as here) past tense.

A bill, here, is a proposal to introduce legislation; when it is passed by Parliament it becomes an Act. The distinction in French is between the *proposition de loi* and the *projet de loi*.

= change