



**GRIMSBY INSTITUTE GROUP**

# **Policy on Independent Advice**

## Change Control

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## Revision History

<b>Version</b>	<b>Type</b>	<b>Date</b>	<b>History</b>
V1	New	23 October 2012	New
V1.1	Replacement	3 September 2013	Changes to incorporate the Framework for the Development of Strategies, Policies and Procedures
V2	Replacement	7 April 2014	Changes to incorporate the Instrument and Articles of Grimsby Institute of Further and Higher Education and change of name to a committee.

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## **1. Introduction and Purpose**

- 1.1 This policy is intended to establish a formal mechanism whereby Governors can, collectively or individually, obtain independent professional advice at the Corporation's expense. This may, for example, be necessary if a Governor is not satisfied with the advice already given by the College's own advisers or a previous request for professional advice has been ignored.
- 1.2 The Cadbury Code of Best Practice (Report of the Cadbury Committee on the Financial Aspects of Corporate Governance, 1st December 1992) recommended that such a policy is formally established for boards of listed public limited companies:-
- "Paragraph 1.5- There should be an agreed procedure for directors in the furtherance of their duties to take independent professional advice if necessary, at the company's expense."
- Governors should have similar access to independent advice to enable them to perform their duties in full.
- 1.3 It is considered good practice to have such a policy in place and as a safeguard in the occurrence that the Corporation was taking an illegal course of action.
- 1.4 This policy is additional to, and does not displace, the inherent power of Corporation Governors to decide to take independent professional advice by passing a resolution to that effect.

## **2. Roles and Responsibility**

- 2.1 It is the responsibility of the Chair of the Corporation and Clerk to facilitate the procedure detailed in this policy.
- 2.2 Implementation of this policy is reserved to the Corporation.

## **3. Details**

- 3.1 Governors shall have, within the financial limits appearing in paragraph 3.4, the right to take advice from:-
- the Corporation's advisers; or
  - if necessary, at the Corporation's expense, independent advisers on any matters concerning the exercise of their powers and responsibilities. Such matters shall:
    - include advice on their legal, accounting and regulatory duties, but
    - exclude advice to individual Governors concerning their own respective personal interests in relation to the Corporation.
- 3.2 A Governor who intends to seek advice under this procedure shall give prior written notice to the Clerk to the Corporation and such notice must contain:-

- a summary of issues on which advice is sought; and
  - if independent advice is sought (ie. not from the Corporation's advisers), name(s) or source of the advisers whom the Governor proposes to instruct together with a short explanation of the reasons why consultation with the Corporation's advisers on the particular issues(s) is considered to be inappropriate.
- 3.3 The Clerk shall forward a copy of the notice to the Chair of the Corporation. Wherever practicable, a Governor shall first enquire of the Clerk whether professional advice has already been obtained by the Corporation, before giving notice under this paragraph.
- 3.4 The Chair (or in his/her absence, or where it concerns the Chair, the Vice Chair) shall be authorised by the Corporation to confirm the request and expenditure up to £10,000 towards the costs of independent professional advice per annum under this procedure without further reference to the Corporation. Approved requests will be counter-signed for expenditure purposes by the Chief Executive/Principal on the advice of the Chair.
- 3.5 The Chair (or Vice Chair, when required) shall decide whether to authorise such advice and payment or contribution as soon as practicable after receiving a copy of the notice seeking advice under this procedure and in any event within five working days. The Chair (or Vice Chair, when required) cannot unreasonably bar access to independent advice, especially in the case that the Corporation's advisers are not able to advise or their advice has proven inadequate.
- 3.6 The Clerk will notify the Governor when the request for independent advice has been actioned and when a response can be anticipated. If the request has not been supported, or has been forwarded to a College adviser for action, the Governor will be informed of this decision, with a supporting rationale.
- 3.7 If the Governor feels that the process for seeking independent advice has not been fully supported, the Governor may forward the request to the Clerk to the Corporation who will instruct the Special Committee to review the request.
- 3.8 Any advice which is obtained under this procedure shall, on request, be made available to all Governors and the Clerk to the Corporation unless it is inappropriate to do so.

#### **4. Related Procedures, Codes of Practice and Guidance Documents**

Instrument and Articles of Government of the College

Cadbury Code of Best Practice

UK Code of Corporate Governance

English's Foundation Code of Governance

**5. Policy Review**

This Policy will be reviewed by the Governance Committee on a three yearly cycle.