



VSNU

vereniging van universiteiten
association of universities
THE NETHERLANDS



Code for Good Governance in Dutch Universities

Approved on
22 November 2019

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This is a translated version of the “Code goed bestuur universiteiten”. Every effort has been made to ensure its conformity with the original Dutch document. In case of disputes, the authoritative version is the original Dutch document.

About the code

The Code for Good Governance in Dutch Universities (the code) aims to stimulate an ongoing, constructive dialogue on the governance of universities and to achieve good governance that underpins the social mission of universities. In this code, the universities describe how they fulfil their mission and the legal requirements relating to university governance.

The code has nine core principles, on the basis of which the executives and supervisors of the Association of Universities in the Netherlands (VSNU) member universities implement good governance. Each principle is followed by more detailed elaborations. Note that the committee has endeavoured to avoid overlap with the points already provided for by law. The sections of the Dutch Higher Education and Research Act (WHW; *Wet op het hoger onderwijs en wetenschappelijk onderzoek*) or other laws that apply to a principle are stated for each principle.¹

The term ‘supervisors’ used in this code refers to the members of the supervisory board or the members of another body charged with the task of internal supervision. The term ‘executives’ used in this code refers to both the members of the executive board and the members of faculty boards and/or deans.² Indeed, as well as the executive boards, the WHW (Section 9.12) designates the faculty boards and in particular the deans as executives, with a number of formal administrative tasks and powers. Consequently, in this code, the faculty boards and the deans are also held accountable for their responsibility for good governance.

The code must be independent of the nature of the institution’s legal entity. Of the 14 VSNU member universities, the legal form of 3 is governed by private law.³ This code takes these differences into account. However, in some cases, the situation governed by public law is taken as the starting point, such as the terminology used for the supervisory board.⁴

Compliance and evaluation

Upon adoption of this code, the executives and supervisors of the 14 VSNU member universities subscribe to the principles set out therein. The universities are required to include a review of compliance with the principles and elaborations described in this code in their annual report. In the event of non-compliance with specific points of the code, the executives and supervisors will explain why the choice was made not to observe the code.⁵ To promote compliance with the code and an ongoing, constructive dialogue on good governance within the institutions, the code will be discussed yearly at a meeting between the executive board and the participation bodies.

The universities operate in an environment that is constantly changing. They also have to contend with regularly changing legislation and new developments in governance. The code will therefore be evaluated regularly so that it remains usable and in tune with the times.

1. With regard to sections relating to the governance and organisation of the universities, the sections of Chapter 9 of the WHW are taken as the point of departure. In the case of the Open University, similar sections of Chapter 11 of the WHW will apply.
2. Whichever applies as the management of the faculty. Only a dean or a board comprising several members may be in charge of a faculty.
3. VU Amsterdam, Tilburg University and Radboud University.
4. In accordance with VSNU Code of Good Governance for Universities version 2017
5. WHW s 2.9(1)

Establishment of the code

The Association of Universities in the Netherlands (VSNU) established a committee in 2018 with the remit to work on a new Code for Good Governance in Dutch Universities. This committee, led by its chair Jaap van Manen, undertook an in-depth review of the code. The committee comprised the following members:

- Jaap van Manen – chair (Strategic Management Centre partner, emeritus professor at University of Groningen, former chair of the Corporate Governance Code Monitoring Committee);
- Rienk Goodijk – advisor (endowed professor at VU Amsterdam, senior consultant at GITP Executive Expertise);
- Rens Buchwaldt (member of the Executive Board of Wageningen University & Research);
- Tim Gulpen (student at Radboud University, former member of the university student council);
- Maria Henneman (member of the Board of Stichting Katholieke Universiteit, owner/director of Henneman Strategies);
- Rianne Letschert (rector of Maastricht University);
- Pauline Meurs (member of the Supervisory Board of the University of Amsterdam, professor at Erasmus University Rotterdam);
- Carel Stolker (rector and president of the Executive Board of Leiden University);
- Rolf van Wegberg (PhD student at Delft University of Technology, former president of PhD Network Netherlands);
- Rens Vliegenthart (professor at the University of Amsterdam, former chair of The Young Academy).

During its work, the committee held multiple discussions with, among others, board members, supervisors, deans and representatives of the participation bodies to obtain input for the code. In addition, from 18 July 2019 to 15 September 2019, a period of public consultation took place, which gave anyone the opportunity to respond to a consultation version of this code. The committee included all this input in its decision-making and, on 10 October 2019, submitted its findings to the VSNU Board. This code, which applies as of 1 January 2020, was approved by the General Assembly of the VSNU on 22 November 2019.





What universities stand for

Dutch universities provide academic education, conduct scientific and scholarly research and develop and share scientific knowledge in close interaction with society. Each university implements this broad social mission in line with its own character and identity.

Universities traditionally stand for freedom of thought and speech, and the independent development of education and research. They are sanctuaries, where any question may be asked and answered in freedom. Each university strives for a culture in which people feel safe and an inspiring environment that enables the entire academic community to develop to its full potential. This academic community includes students and PhD candidates, who should be able to trust that they will receive proper education and support.

In their work in the fields of education, research and impact, lecturers, researchers and all other staff are guided by the highest ambitions for quality and integrity. This attitude is also instilled in students and PhD candidates.

Teaching and research nurture and inspire each other at the university. Teaching and research are therefore intrinsically linked to each other. The academic community of lecturers, students and researchers, assisted by support staff, gives shape to the content and organisation of education and research in the confidence that this is the best way for universities to perform their tasks.

Universities are at the heart of society. They actively involve society in their teaching and research and contribute to solving scientific and social issues. Universities promote the accessibility of education, recognising the social value of a Dutch higher education community in which it is not students' origin or background, but their talent, capacities, dreams and ambitions that determine which study programme they pursue.

Implementing the university's social mission is central to the work of university executives and supervisors and to their dealings and consultations with the participation bodies. Executives show the leadership that is needed in order to fulfil this social mission successfully. Executives and supervisors are aware of their responsibility to spend public and private funds efficiently and lawfully, to make choices in this context and for their accountability in this context.

Executives feel collectively responsible for the members of the academic community and have a sense of social responsibility towards their alumni and Dutch, European and global society. In their actions, they not only focus on the present, but are also aware of the past and of the interests of future generations.

General principles of good governance

1. The university's social mission is to provide academic education, to conduct scientific and scholarly research and to develop and share scientific knowledge in close interaction with society. Each university defines this mission in line with its own character and identity and is accountable for this.

2. The university upholds values linked to its social mission. The university promotes an open culture in which any topic can be discussed and in which executives, staff and students feel free to hold each other to account. This culture is disseminated within and outside the organisation.

3. The university promotes the creation of a safe environment in which students and staff can thrive and develop professionally.

4. The executive board is responsible for the administration of the university. The executive board is composed and organised in a manner that enables its members to perform their tasks properly.

5. The supervisory board is responsible for internally supervising the executive board of the university. The supervisory board is composed and organised in a manner that enables its members to perform their tasks properly and in an independent manner.

6. The consultations between executives and the participation bodies are organised in a manner that enables the participation bodies to exercise influence on the direction taken by the university.

7. Executives and supervisors ensure that personal conflicts of interest of any kind, including the semblance thereof, are avoided.

8. The university has an effective and sound governance structure in place for partnerships/ collaborations and linkages, including those with the university medical centres.

9. The university has professional internal risk management and control systems in place.

Elaboration by principle

- 1. The university's social mission is to provide academic education, to conduct scientific and scholarly research and to develop and share scientific knowledge in close interaction with society. Each university defines this mission in line with its own character and identity and is accountable for this.**

WHW ss 1.3, 1.18, 2.2, 9.2, 9.6, 9.8, 9.9 and 9.32 apply to the elaboration of this principle.

- 1.1. The university provides academic education and conducts scientific and scholarly research that meets national and international standards and quality requirements. The executive board ensures the establishment of a suitable system of quality assurance and compliance with the duties of care set out in the Netherlands Code of Conduct for Research Integrity.⁶
- 1.2. The executive board is responsible for the continuity of the university, for developing a vision for fulfilment of the university's social mission and for drawing up and implementing a strategy to execute this vision. To that end, the executive board holds regular consultations with the supervisory board, the deans and the participation bodies.
- 1.3. The university operates in a complex social environment and has widely diverse interests and stakeholders. The university executives and supervisors are aware of this. They pay due care and attention to these different interests in implementing the social mission and in the stakeholder dialogue on the university's policy and strategy. The executive board clearly describes the decision-making process that takes place with respect to these interests when preparing and adopting the institution's strategy and policy.
- 1.4. The executive and supervisory boards, each individually and based on their own role, render account of the implementation of the university's social mission and of the implementation of the university's strategy. At a minimum, they do so in the annual report.

- 2. The university upholds values linked to its social mission. The university promotes an open culture in which any topic can be discussed and in which executives, staff and students feel free to hold each other to account. This culture is disseminated within and outside the organisation.**

WHW ss 1.7, 9.2 and 9.14 apply to the elaboration of this principle.

- 2.1. The executive board is responsible for defining the values linked to the social mission and the character and identity of its own university. These values are defined in consultation with the academic community and with other stakeholders, and are findable for everyone.
- 2.2. All executives at the university actively disseminate the values of their own university and focus on ensuring that all layers of the organisation act in accordance with these values. The executive board promotes dialogue on the values in the organisation. The supervisory board monitors the practical application of, and also disseminates these values itself.

6. This code can be found on the [VSNU website](#).

- 2.3. All university executives and supervisory board members are accessible to staff and students. In addition, they make it clear that it is self-evident to hold each other to account and they act accordingly. That way, they jointly contribute to an environment, in which people are receptive to recognising and learning from mistakes and to acquiring new insights.
- 2.4. The executive board is responsible for ensuring compliance with the codes of conduct applicable to the university either laid down by law or adopted by the university. The executive board adopts procedures to ensure that any alleged wrongdoing is reported and that lessons are learned from it. The executive board and the supervisory board encourage dialogue around both compliance with codes of conduct applicable to the institution and the management of identified wrongdoings.
- 2.5. All university executives focus on the efficient and lawful spending of funds. They also act accordingly.

3. The university promotes the creation of a safe environment in which students and staff can thrive and develop professionally.

Working Conditions Act (Arbeidsomstandighedenwet) s 3, WHW ss 1.7, 7.59a and 9.14 and House for Whistleblowers Act (Wet Huis voor klokkenluiders) s 2 apply to the elaboration of this principle.

- 3.1. All university executives are responsible for creating an environment where people from diverse backgrounds and with different orientations and views are given the opportunity to develop to their full potential. They jointly provide for a safe and inclusive culture.
- 3.2. All executives are guided by the principle of good employment practices and are alert to staff and students' physical and mental well-being. They focus on creating a safe environment for staff and students, good working conditions and academic feasibility. Executives regularly discuss these topics with each other and with the participation bodies. The supervisory and executive boards also discuss these topics.
- 3.3. Staff and students must be able to report wrongdoing, any suspicion of wrongdoing or integrity concerns without putting their position at risk. At a minimum, the university has a complaints procedure, a whistleblower policy and at least one readily approachable confidential advisor or ombudsperson who reports directly to the executive board. If the suspected irregularities relate to the executive board, this confidential advisor or ombudsperson will approach the chair of the supervisory board. The executive board reports in the annual report on the manner in which complaints have been addressed. The executive board also discusses how university policy can be improved with the supervisory board and the participation bodies on the central level based on the signals reported.

4. The executive board is responsible for the administration of the university. The executive board is composed and organised in a manner that enables its members to perform their tasks properly.

WHW ss 2.9, 9.2, 9.3, 9.4 and 9.6 apply to the elaboration of this principle.

- 4.1. The executive board administers the university and therefore is the administrator within the meaning of the law. The executive board is guided by the interests and social mission of the university (principle 1) and the values defined by the university (principle 2). The executive board reports on this in the annual report.
- 4.2. The decision-making process of the executive board is diligent and transparent to the supervisory board. The executive board ensures that the process regarding advice, deliberation and decision-making is comprehensible and traceable.
- 4.3. The executive board renders account to the supervisory board and provides the supervisory board with all the information it needs on a timely basis for the performance of its duties. The executive board and the supervisory board set out which executive board decisions require the approval of the supervisory board.
- 4.4. The executive board represents the university externally and serves as first discussion partner for external stakeholders and relations.
- 4.5. The executive board members ensure that they are sufficiently equipped for their role. They ensure that they continue to develop their professional qualities as executives, as agreed with the supervisory board.

5. The supervisory board is responsible for internally supervising the executive board of the university. The supervisory board is composed and organised in a manner that enables its members to perform their tasks properly and in an independent manner.

WHW ss 9.3, 9.7, 9.8, 9.9 and 9.33 and the Senior Executives in the Public and Semi-Public Sector (Standards for Remuneration) Act (Wet Normering Topinkomens) apply to the elaboration of this principle.

- 5.1. The supervisory board is the employer of the executive board and monitors the performance of duties and the exercise of powers by the executive board, including the manner in which the executive board has considered the interests of internal and external parties. When performing its duties and responsibilities, the supervisory board is always guided by the interests and social mission of the university (Principle 1).
- 5.2. The supervisory board is composed in a manner that enables its members to operate independently and critically in respect of each other, the executive board and any other stakeholders.
- 5.3. The supervisory board makes proposals for the appointment, reappointment, suspension and removal of its members, with due observance of the legal right of nomination by participation bodies. The supervisory board clearly describes the normal procedure to be followed for making proposals for appointment, reappointment, suspension and removal from its members and consults the participation bodies on this matter. The chair and the other members of the supervisory board of the public universities are appointed, suspended and removed by the Minister of Education, Culture and Science.

- 5.4. The supervisory board draws up a profile of the board composition at least once every four years, giving consideration to the various areas of expertise and qualities the board wishes to have among its members, including the requisite knowledge and experience of higher education and scientific and scholarly research. The supervisory board also gives consideration to diversity in the broadest sense, which means ensuring more than simply a balanced distribution of seats among women and men.
- 5.5. The supervisory board monitors the quality of the performance of its individual members and the supervisory board as a whole. To that end, a self-evaluation of the supervisory board takes place every year, in which external assistance will regularly be sought. The executive board is involved in the evaluation. The supervisory board as a whole invests in its own development, regularly discusses whether its members have sufficient knowledge, skills and time to perform their duties and whether additional training is required and desirable.
- 5.6. The supervisory board is responsible for its own working procedures, meeting agenda and meeting frequency with and without the executive board. The chair of the supervisory board has primary responsibility in this regard.
- 5.7. The supervisory board may work with committees in order to fulfil its duties. In that case, the board draws up regulations for this purpose and a report on the committee(s) is included in the supervisory board's report.
- 5.8. The supervisory board regulates its own information provision needs in consultation with the executive board. In addition to the formal meeting documents, the supervisory board also uses other sources of information within and outside the university.
- 5.9. The supervisory board determines in consultation with the executive board how the supervisory board will implement communications, as laid down by law, with the participation bodies and other representation bodies and officers. In view of the desired unicity of the administration, communication between the supervisory board and external stakeholders takes place by agreement with the executive board.
- 5.10. The supervisory board appoints an auditor. The supervisory board regularly evaluates the performance of the external auditor, with advice from the executive board. The auditor will be replaced after a maximum term of seven years. Instructions to the external auditor to provide non-audit services will be approved by the supervisory board after consulting the executive board. This will be reported in the annual report.
- 5.11. The supervisory board appoints, reappoints and removes members of the executive board. The supervisory board clearly describes the normal procedure to be followed regarding the appointment, reappointment and removal of members from the executive board and consults the participation bodies on this matter. The supervisory board consults the participation bodies on the central level prior to a decision regarding the appointment, reappointment or removal of an executive board member and in any event includes the other members of the executive board and the deans in this process. It is the supervisory board's responsibility to ensure that an executive board is suitably balanced, equipped for its duties and operates as a team. When appointing the executive board members, the supervisory board gives consideration to diversity in the broadest sense, which means ensuring more than simply a balanced distribution of seats among women and men.

- 5.12. As the employer, the supervisory board determines the terms of employment of the members of the executive board.
- 5.13. The supervisory board regularly consults the executive board on mutual collaboration among the executive board members and on the collaboration between the executive board and the supervisory board.
- 5.14. The supervisory board monitors the quality of the performance of the individual members of the executive board and the executive board as a whole by, among other things, performing an annual evaluation. The supervisory board provides a report of the evaluation meetings.
- 5.15. The supervisory board and the executive board agree how they will deal with a situation involving a dispute between the two bodies.

6. The consultations between executives and the participation bodies are organised in a manner that enables the participation bodies to exercise influence on the direction taken by the university.

S 393, Book 2, Dutch Civil Code and WHW ss 9.8, 9.32, 9.37 and 9.48 apply to the elaboration of this principle.

- 6.1. Executives involve the participation bodies⁷ as a strategic discussion partner, ensure that the various representative advisory bodies can exercise their powers of consent and advice and encourage them to develop their own initiatives. Both the supervisory board and the executives invest in their relationship with the participation bodies.
- 6.2. Executives ensure that the participation bodies on the central and local levels are properly facilitated and that this is set out in procedures. Executives discuss the optimal organisation, working procedure and facilitation of the participation bodies within the university with them each year. The elected staff and students are given the opportunity to actively participate in the participation bodies.
- 6.3. Executives ensure the timely provision of information to the participation bodies.
- 6.4. Universities may set out the division of powers and coordination among the participation bodies on the central level and the employees' organisations represented in the local consultative body in a separate covenant.
- 6.5. The supervisory board monitors good relations between the participation bodies on the central level and the executive board. To that end, the supervisory board (or a member delegation) holds consultations with the participation bodies on the central level at least twice a year. The supervisory board and the participation bodies are responsible for setting the agenda. The consultations may take place without the presence, but not without the knowledge of the executive board. The following topics, for example, may be discussed: implementation of the social mission, the relationship between the executive board and the participation bodies, the provision of information and the necessary accountability for the actions of the executive board.

7. In this code, the definition of participation bodies is in line with that of WHW s 9.38c

7. Executives and supervisors ensure that personal conflicts of interest of any kind, including the semblance thereof, are avoided.

WHW s 9.7 applies to the elaboration of this principle.⁸

- 7.1. Executives and supervisors ensure that they avoid any semblance of a personal conflict of interest of any kind between themselves and the university, including related institutions. The executive board ensures that regulations are adopted in this regard, and the supervisory board monitors compliance with these regulations.
- 7.2. The university provides no personal loans or any other types of financial services to executives or supervisory board members.
- 7.3. Prior to accepting an ancillary position, executive board members request permission from the supervisory board; deans and other faculty board members in turn request permission from the executive board. No permission will be granted in the case of a personal conflict of interest with the university, including related institutions, or a semblance thereof. Ancillary activities of executives and supervisors are included in the annual report.
- 7.4. An executive board member reports any potential personal conflict of interest with the university, including related institutions, directly to the chair of the supervisory board and to the other executive board members. The supervisory board discusses the potential existence of personal conflicts of interests and how to deal with these, without the presence of the executive board member concerned. This article similarly applies to deans and other members of the faculty boards, who report any potential personal conflicts of interests arising to the chair of the executive board, who will subsequently discuss these.
- 7.5. Executives and supervisors do not take part in deliberations and decision-making regarding topics that involve possible personal conflicts of interest between the executive or supervisor on the one hand and the university, including its related institutions, on the other.
- 7.6. Decisions relating to a topic or transaction in which an executive or supervisor has a personal conflict of interest of material importance to the university, the executive and/or the supervisor are reported in the annual report.
- 7.7. The supervisory board members:
 - i. receive no financial remuneration from the university or a legal entity affiliated to it, other than the remuneration for membership of the supervisory board;
 - ii. are not board members of a legal entity in which an executive board member of the university is a member of the supervisory board;
 - iii. have no financial interest in a company or other legal entity affiliated to the university.

8. In accordance with elaboration 8.6, universities and associated UMCs make agreements regarding the application of the provisions of this principle and similar provisions of the Dutch Healthcare Governance Code to the deans of medical faculties.

7.8. The executive board acts to ensure that employees report possible personal conflicts of interests with the university, including related institutions. In this context, the executive board implements at a minimum the provisions of the sectoral scheme covering ancillary activities.⁹

8. The university has an effective and sound governance structure in place for partnerships/collaborations and linkages, including those with the university medical centres.

A. General

8.1. The fulfilment of the university's social mission often requires the university to collaborate closely and foster ties with other parties. The contribution to that mission guides the choices around and organisation of these collaborations and ties.

8.2. The executive board ensures that, when entering into a commitment with a legal entity and/or a partnership, entailing financial and/or administrative involvement, it is clear how this contributes to the implementation of the university's strategy. The executive board ensures that this contribution is periodically reviewed.

B. Contractual partnerships

8.3. The executive board draws up guidelines for the establishment of and dealings with contractual partnerships. These guidelines at least contain agreements on the executive board's accountability regarding contractual partnerships to the supervisory board.

C. Associated legal entities

8.4. The executive board formulates policy for the establishment of and dealings with associated legal entities. This at least includes frameworks for dealings with associated legal entities over which decisive administrative influence is exercised or not exercised respectively. In the case of legal entities where there is administrative involvement, the policy in any event includes guidelines on the accountability of those with administrative involvement in the legal entity on behalf of the university to the executive board, and then of the executive board to the supervisory board.

D. University Medical Centres

8.5. Governance agreements between the university and the university medical centre are drawn up in line with this code and with the Governance Code for Care.

9. This scheme can be found on the [VSNU website](#).

9. The university has professional internal risk management and control systems in place.

WHW ss 2.10 and 9.8 apply to the elaboration of this principle.

- 9.1. The executive board is responsible for identifying and managing risks associated with the strategy and implementation of the university's activities.
- 9.2. The executive board is responsible for the presence and functioning of internal risk management and control systems. The components of this system in any event include:
 - i. a description of the key risks associated with strategy implementation or risks that could affect the continuity of the university;
 - ii. determining the willingness to take risks regarding key strategic themes and activities (risk appetite), and reporting on this in the annual report;
 - iii. the systematic management of the risks in all investment and innovation projects. Decision-making, including the advice used, is recorded;
 - iv. properly designed processes and business systems designed to manage risks associated with the university's activities.
- 9.3. The executive board monitors the functioning of the internal risk management and control systems and systematically assesses the design and operation of the systems at least once a year. The executive board reports in the annual report on the establishment, functioning and key results of the internal risk management and control systems, and on any modifications thereto.
- 9.4. The executive board is responsible for the internal audit function. The internal audit function assesses the design and effectiveness of the internal risk management and control systems. The supervisory board monitors the internal audit function and maintains regular contact with the internal auditor. If there is no internal audit function in place, the supervisory board assesses each year whether effective alternative measures have been put in place.
- 9.5. The executive board discusses the effectiveness of the design and operation of the internal risk management and control systems with the supervisory board in any event once a year. In addition, the supervisory board discusses the long-term forecasts in any event once a year and assesses whether the financial continuity of the organisation is safeguarded in those forecasts.



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