As approved at GPC on 16 November 2020 and Council on 30 November 2020

AUDIT AND SCRUTINY COMMITTEE STANDING ORDERS[1]
as at November 2020

1. Membership

1.1 Composition of Audit & Scrutiny Committee

Audit & Scrutiny Committee's composition, including eligibility restrictions, is set out in its terms of reference.

1. 2 Eligibility for membership

Eligibility for membership of all Committees is set out in general regulations. See Part 2 of Council Regulations 14 of 2002[2] and Audit & Scrutiny Committee's terms of reference.[3] Where the two differ, Audit & Scrutiny Committee's terms shall prevail.

1.3 Procedures for vacancies

<u>Appointment</u>

External members (except in the case of the Chair) will be appointed following a competitive selection process based on the skills required by the Committee. The selection process will be managed by the secretary and Chair. The Chair will propose new members to General Purposes Committee for approval on behalf of Council.

The appointment of the **Chair** is approved by General Purposes Committee (on behalf of Council) following consideration by the Vice-Chancellor, Registrar and the Director of Assurance. The Chair is one of the external members of Council.

Internal members (except in the case of the Head of House) are elected by members of Congregation from among members of Congregation, in line with the terms of reference requirements. If no candidates put themselves forward for election, a notice will be published in the Gazette and on the Elections website to invite expressions of interest. A candidate will be nominated by the Vice-Chancellor and Proctors taking into account the requirements of the Committee and any expressions of interest received.

The **Head of House** internal member will be appointed by the Conference of Colleges.

<u>Reappointment</u>

The Chair will propose reappointments of **external members** to General Purposes Committee, considering the performance of the external member and the skills required by Audit & Scrutiny Committee.

The re-appointment of the **Chair** is approved by General Purposes Committee (on behalf of Council) following consideration by the Vice-Chancellor, Registrar and the Director of Assurance. The Chair is one of the external members of Council.

Internal members (**except in the case of the Head of House**) who are eligible to stand for reappointment in line with the terms of reference requirements may do so and the process is the same as for the initial appointment (i.e. they must stand for election again via Congregation).

For the **Head of House** internal member, the reappointment decision rests with the Conference of Colleges.

[1] The expectation that Council's committees should have Standing Orders is set out in Regulation 2.8(1) of Council Regulations 14 of 2002.

[2] https://governance.admin.ox.ac.uk/legislation/council-regulations-14-of-2002

[3] https://governance.admin.ox.ac.uk/legislation/part-8-audit-and-scrutiny-committee

1.4 Period of membership

The period of membership is set out in Audit & Scrutiny Committee's terms of reference.

2. Terms of reference

Audit & Scrutiny Committee's terms of reference are set out in part 8 of Council Regulation 15 of 2002.

3. Standing orders

The interpretation of these standing orders (subject to the provisions of Audit & Scrutiny Committee's terms of reference) shall be the responsibility of the Chair and, for the purposes of a particular proceeding, his or her decision shall be final. A standing order may be suspended by a motion, duly proposed and seconded, and approved by two thirds of the members present. No such suspension will override any provision of the terms of reference. These standing orders will be reviewed by Council at least once every two years.

4. Arrangements for meetings

4.1 Timing and location

Meetings of Audit & Scrutiny Committee shall normally be held in the 2nd and 5th Week of Michaelmas Term, 8th Week of Hilary Term, and 8th Week of Trinity Term[1].

A members-only pre-meeting is held in advance of each Committee meeting. While the secretary and other regular attendees may attend at the invitation of the Chair, during this pre-meeting members will have the opportunity for discussion without the presence of secretary or any other regular attendee.

The members may also have meetings with the auditors without the secretary or regular attendees as needed, to be convened by the Chair.

The Chair may postpone or cancel meetings at his or her discretion. The Chair may call an extraordinary meeting at any time.

Meetings are either held via the University's videoconference system or at the University of Oxford (with the specific venue to be confirmed in advance of each meeting).

4.2 Declaration of personal interests

Members of the Committee will be asked to declare any interest that could give rise to conflict in relation to any item on the agenda at the beginning of the item in question. All interests so disclosed will be recorded in the minutes. If the Chair deems it appropriate, the member shall absent himself or herself from all or part of the committee's discussion of the matter. Wording reflecting these provisions will be included at the beginning of every Audit & Scrutiny Committee agenda.

4.3 Order of Business

The order of business will normally be as follows:

1. Matters requiring active consideration (business that is 'above the line'):
   1.1 minutes of the previous meeting (to be taken as read unless any objection is raised);
   1.2 matters arising from the minutes;
   1.3 other items requiring discussion and/or decision;

2. Matters not requiring active consideration (business that is 'below the line'):
   2.1 matters arising from the minutes;
   2.2 other items requiring approval or noting.

[1] However meeting dates may be adjusted as necessary to ensure meetings coincide with key dates within the financial reporting and audit cycle to enable the Committee to make timely and influential decisions.

4.4 Quorum[1]

The quorum requirements are set out in the terms of reference.

A member who is participating in a meeting by telephone, video-conference or any other means of communication which permits all members simultaneously to hear one another, shall be considered present and therefore shall count towards the quorum.

If a quorum is not present within half an hour from the time appointed for the meeting, or during a meeting a quorum ceases to be present, the business or remaining business of that meeting shall be deferred to another meeting, whether already scheduled or to be scheduled, or shall be dealt with by the Chair acting under delegated authority in accordance with the committee's standing orders.

4.5 Deputy Chair

At the start of each academic year, or at other times as necessary, the Committee shall appoint one of its members as deputy chair, to deputise as chair in the event of the Chair's absence, or for an item in which the Chair has a conflict of interest.

5. Attendance at meetings

5.1 Voting members

Only individuals appointed or elected to the Committee or listed in 5.2 and 5.3 below may attend meetings on a regular basis. On occasions when the appointee is unable to attend the appointee will still receive the papers and be able to raise any comments or questions through the secretary or with the Chair. Only individuals appointed or elected to the Committee may vote at the meeting. The person taking the Chair at any Committee meeting shall, in the absence of provision to the contrary in any statute or regulation, have a second or casting vote in the event of equality of voting[2].

5.2 Regular attendees

The regular attendees may attend any meeting of Audit & Scrutiny Committee for the full agenda: the Vice-Chancellor, the Assessor and Proctors, the Registrar, the Director of Assurance, the Director of Finance and the Director of Legal Services and University Counsel. These attendees may speak if invited, but are not entitled to vote. Other attendees may be invited at the discretion of the Chair.

Further to the terms of reference, the internal auditors (represented by the Head of Internal Audit or their designate) may also attend any meeting of Audit & Scrutiny Committee but will absent themselves where there is any discussion on their performance, fees or their competitors.

5.3 Student representation

There is no student representation on, or at, Audit & Scrutiny Committee. However, where possible and appropriate to do so, we will engage with the Student Union on any pertinent matters. This may include activities such as requesting their opinion on relevant topics during the year.

5.4 Those invited for particular items

Other individuals may be invited to speak to, and/or participate in the discussion of, particular items. Per the terms of reference, this will include the representatives from the external auditors, who will absent themselves where there is any discussion on their performance, fees or their competitors.

[1] Regulations 2.6-2.7 of Council Regulations 14 of 2002 http://www.admin.ox.ac.uk/statutes/regulations/520-122a.shtml.

[2] Regulation 1.3 of Council Regulations 14 of 2002 http://www.admin.ox.ac.uk/statutes/regulations/519-122.

6. Unreserved and reserved business, and the confidentiality of Audit and Scrutiny Committee's proceedings

6.1 Categories of business

There is no differentiation between discussion of **Reserved** and **Unreserved** business at meetings of Audit & Scrutiny Committee. Members and regular attendees must note the designation of papers for the purpose of reporting them to Council.

Unreserved business may either be designated as 'open', 'restricted', or 'confidential'.

- '**Open'** business is not of a sensitive nature. All 'open' business may be discussed within the wider University and will be published on the intranet.
- '**Restricted'** business may be discussed within the wider University but because of certain sensitivities will not be made known to the wider University through publication on the intranet[1]. 'Restricted' papers are labelled as such.
- '**Confidential'** business is of such a sensitive nature that it must not be discussed with anyone not listed in the bullets below. Business that is designated 'confidential' may be discussed only with:
    a. other members of Audit & Scrutiny Committee;
    b. members of, and the regular attendees at, the Committee(s) that have previously considered the issue;
    c. regular attendees at Audit & Scrutiny Committee; and
    d. regular attendees in receipt of Audit & Scrutiny Committee papers

In exceptional circumstances, an Audit & Scrutiny Committee member may desire to discuss confidential issues with a person outside the groups in a - d above. In such a case, approval must be sought, with reasons, and obtained from the Chair in advance of the discussion taking place.

Notwithstanding the above, an Audit & Scrutiny Committee member may seek further information on an item from the officer specifically named in the paper as being the source of such information. The same designation of confidentiality will attach to the information provided as to the item on the agenda.

At its meeting, Audit & Scrutiny Committee may alter either the designation of a paper, or its position within the agenda. For example, it may decide that a previously confidential paper should be designated as 'open'. If a change in designation is thought desirable following the Audit & Scrutiny Committee meeting in which the item was considered, the Chair has authority to approve such a change.

Reserved business is always 'confidential' and the papers are marked accordingly[2]. The expectation is that this category of business will be used as sparingly as possible. The following matters will be ordinarily categorised as 'reserved' business, and therefore as 'confidential':

a. issues of particular strategic sensitivity;
b. issues of particular commercial sensitivity; and
c. matters pertaining to specific individuals, such as decisions on appointments, promotions, and other matters concerning the personal position of members of the staff of the University; and the admission of individuals and their academic assessment and personal affairs.

The list above is not exhaustive and there may be occasion on which matters falling outside those categories listed above need to be treated as 'confidential'. If this occurs, the expectation would be to provide the explanation to Audit & Scrutiny Committee.

In exceptional circumstances, it may be necessary to depart from the designations of 'open', 'restricted' and 'confidential'; when such circumstances arise, the paper will set out the restrictions to be placed on that item.

[1]This may cover items of which certain aspects may be commercially confidential, e.g. budgets for capital projects.

[2] *Due to the need to keep information regarding the internal and external auditors performance / fees etc. confidential from these two parties, the 'Reserved' category in Sharepoint will also be used for papers covering the performance / fees of auditors, any audit tenders etc.*

6.2 Discussion at meetings of Audit & Scrutiny Committee

Irrespective of the categorisation of business, in all cases views expressed by others present at meetings of Audit & Scrutiny Committee (either members of the committee or those in attendance) during the course of the committee meeting may not be disclosed to, or discussed with, anyone outside the meeting unless that person is either another member of Audit & Scrutiny Committee or a regular attendee.

7. Papers

7.1 Agenda

The agenda for each meeting of the Committee will be determined by the Chair, acting on the advice of the secretary. Business or papers which do not appear on the agenda will be considered by the Committee only where a motion to that effect, duly proposed and seconded, has been passed by a majority of those members present.

7.2 Circulation

Electronic copies of the agenda and papers will be published on the Audit & Scrutiny Committee's SharePoint site for members of the Committee, regular attendees, and others authorised to see the papers (see 7.3 below). Papers will normally be available 10 working days before the meeting. Papers will not normally be circulated in hard copy.

Others for whom it is necessary for the discharge of their duties shall also have access to the Audit & Scrutiny Committee SharePoint site, subject to endorsement by the secretary to Audit & Scrutiny Committee, in consultation with the Chair.

The Keeper of the Archives shall have access to the Audit & Scrutiny Committee's site to download the agenda and papers for permanent electronic preservation. A hard copy of the Committee's papers shall also be sent to the Registry file.

A soft copy of the unconfirmed minutes of the Committee's meetings will normally be provided to members for review no more than two weeks after the Committee meeting.

7.3 Holding and disposal of papers

All information concerning the Committee, including its papers whether in electronic form or hard copy, must be held in accordance with the University's Information Security Policy[1].

Members of the Committee and others in receipt of Committee papers, including minutes, must ensure that hard and electronic copies of such papers in their personal possession are disposed of, when no longer needed by them; the secretary of the Committee shall make appropriate arrangements for the confidential disposal of any such papers which are returned to him or her.

8. Self-review

The Audit & Scrutiny Committee shall commission an independent review of its composition, operations and effectiveness at least every four years and shortly after its first year with a revised remit, where the responsibilities have been substantially changed.

On completion of such a review, the Committee shall report its findings and any recommendations arising out of the review to Council.

The Committee will conduct an informal self-review of its effectiveness annually.

9. Delegations

9.1 Powers delegated by Audit & Scrutiny Committee to its Chair

[1] https://www.infosec.ox.ac.uk/

(a) Chair of Audit & Scrutiny Committee

The Chair of Audit & Scrutiny Committee shall have power to give approval to any matter that falls within the Committee's terms of reference, provided that the Chair is satisfied that the case for urgency is such that approval cannot await the next meeting of the Committee, and subject to a report of the decision at the next meeting. When the likely need for an urgent decision between meetings is foreseen, a report should be brought to the Committee outlining the current position and asking for prospective approval of Chair's action on the Committee's behalf. In case of doubt or difficulty, the Chair may, at his or her discretion, seek approval from other members of the Committee by correspondence.

10. Reporting

10.1 Reports to Council

Audit & Scrutiny Committee shall report to Council as required to fulfil its remit and as set out in its terms of reference. In so doing, it shall also refer to Council any matter that in the opinion of the Committee requires the attention of Council.

Audit & Scrutiny Committee shall make an annual report to Council.

11. Resourcing

The Audit & Scrutiny Committee may commission independent legal, accounting or other advice when the Committee reasonably believes it necessary to do so in line with its remit, set out in the terms of reference. Procurement of any such advice will be made in line with University procurement policy and within reasonable limits. Funds will be made available by the University for such advice.

12. Internal audit oversight

The responsibilities that Audit & Scrutiny Committee has regarding internal audit are set out in the terms of reference. Contracts for any externally provided internal audit services should be subject to market review at least every five years, subject to any procurement rules. Contracts should include a clause to allow for earlier termination in the event of unsatisfactory performance.

When agreeing appropriate performance measures for internal audit, the Committee shall follow best practice guidance, as far as this fits with the University's individual requirements. Examples of measures used to monitor the performance of internal audit include:

- performance against agreed programme, scope and time;
- staffing continuity, skills mix, quality and seniority of team; timeliness of engagements and reports;
- clarity and accuracy of reports, and effectiveness of follow-up of previous recommendations;
- Committee attendance;
- focus on risk and key issues; and
- openness in discussion with the Committee