

ORGANISATIONAL REGULATION O2: STANDING COMMITTEES OF THE BOARD OF GOVERNORS

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REGULATION

1. AUTHORITY FOR REGULATION

This Regulation is made in pursuance of Article 5(5)(b) of *The Robert Gordon University (Scotland) Order of Council 2019*.

2. STANDING COMMITTEES

The following shall be Standing Committees of the Board of Governors:

Audit Committee

Chair's Committee

Finance and General Purposes Committee

Governance and Nominations Committee
Remuneration Committee
Staff Governance Committee

3. APPOINTMENT OF MEMBERS TO STANDING COMMITTEES

Except in the case of *ex officio* appointments, all members of Standing Committees shall be appointed by the Board of Governors. Standing Committees may invite any persons, whose knowledge and experience will be of value, to attend meetings of the Standing Committee.

4. SUB-COMMITTEES

Standing Committees will, from time to time, establish Sub-Committees in order to assist them in undertaking their remits. Sub-Committees, their memberships and Conveners will be reviewed not less than every three years.

5. REVIEW

The purpose and constitution of all Standing Committees shall be reviewed from time to time by the Board of Governors.

SCHEDULE 2.1: AUDIT COMMITTEE

1. Role and Responsibility of the Governing Body

The governing body of an institution must establish proper arrangements to ensure the effective discharge of its responsibilities in respect of:

- proper financial management;
- the effectiveness of the internal control and management systems;
- safeguarding the assets of the institution and public funds;
- the economy, efficiency and effectiveness of the institution's activities; and
- corporate governance and conduct of the institution's operations.

As an essential part of the arrangements for meeting these responsibilities, the Board of Governors must establish an Audit Committee and must secure an effective internal audit service (as required by the Scottish Funding Council).

2. Remit of the Audit Committee

For the avoidance of doubt, the remit of the Audit Committee will also apply to any subsidiary undertakings, quasi-subsidiaries and associated undertakings of the University, insofar as material to the University. The detailed remit is as follows:

(a) General statements:

- (i) To review the effectiveness of the financial and other internal control systems, including controls specifically to prevent or detect fraud or other irregularities as well as those for securing economy, efficiency and effectiveness, and advise the Board of Governors on its compliance with corporate governance requirements and good practice guidance.
- (ii) To advise the Board of Governors of salient issues raised by the internal or external auditors and produce an annual report for the Board of Governors summarising how the remit of the Audit Committee has been met.
- (iii) To review the relevant reports from the Financial Appraisal and Monitoring Services Directorate of the Scottish Funding Council and Audit Scotland.
- (iv) To review and monitor the effectiveness of the University's entire risk management (including academic risk), control and governance arrangements. This will include compliance with the legal and regulatory framework that the institution operates within as well as considerations of culture and behaviour, and arrangements that can affect reputation such as the management of conflicts of interest.

- (v) To oversee the University's policies related to ethical and other behaviours including whistleblowing, anti-bribery, fraud and irregularity, including being notified of any action taken under these policies.
- (vi) To monitor other relevant sources of assurance, for example other external reviews.

(b) Internal audit:

- (vii) To review the scope, efficiency and effectiveness of the work of the internal auditors, including planning and operation of the work, the adequacy of resourcing internal audit, the results of individual assignments and the annual report of the internal auditors.
- (viii) To monitor management action of the implementation of agreed recommendations reported in internal audit assignments, reports and internal audit annual reports.
- (ix) To advise the Board of Governors on the selection, appointment, removal and remuneration of the internal auditors, the scope of their work, measurement of performance, and appropriateness of liaison and co-ordination between internal and external auditors.

(c) Value For Money (VFM):

- (x) To monitor the effectiveness of the arrangements put in place by management to secure economy, efficiency and effectiveness, and in particular the implementation of the University's Value for Money (VFM) strategy.
- (xi) To ensure that the scope of each internal audit assignment includes specific reporting on VFM considerations.
- (xii) To advise the Board on VFM matters arising from both internal and external audit reports and relevant external VFM studies of best practice for promoting economy, efficiency and effectiveness.

(d) External audit:

- (xiii) To advise the Board of Governors on the selection, appointment, removal and remuneration of the external auditors, the scope of their work, measurement of performance, and appropriateness of liaison and co-ordination between external and internal auditors.
- (xiv) To review the external audit strategy and plan.

- (xv) To review and recommend for approval the University's Annual Report and Financial Statements and the external auditors' report prior to submission to the Board of Governors by the Finance and General Purposes Committee. Specifically, the Committee should consider the external audit opinion, the statements of Members' Responsibilities and Corporate Governance and any relevant issues raised in the external auditors' letter and management responses to it.

3. Composition

Not less than three Independent Governors, one of whom shall be appointed as Convener, one as Vice-Convener, and none of whom shall be members of the Chair's Committee. In the event that members are also members of the Finance and General Purposes Committee such members **must** be in the minority and **must not** be appointed as Convener of the Audit Committee.

At least one and not more than two members who are external to the University, i.e. not students, members of staff or Governors. One of the external members should be a newly/immediately retired Board member.

The University Secretary will be in attendance at all meetings of the Audit Committee.

Specifically excluded from membership of the Audit Committee:

Principal/Chief Executive Officer;

Other members of the University's Executive;

Connected parties, including the University's bankers, solicitors, auditors or other professional advisors;

Chair of the Board of Governors.

4. Skills of Members of the Audit Committee

The Audit Committee should be mindful of the skills of the members of the Committee and should seek to ensure that at least one member has a background in finance, accounting or auditing. Membership, however, should not be drawn exclusively from people with such a background. If considered desirable, the Committee can co-opt non-executive members who are not members of the Board of Governors and who have particular relevant experience or expertise. Co-opted members should not be appointed Convener of the Audit Committee.

The Committee members should ensure that sufficient briefings are provided for members and training is available to members on matters relating to the goals and duties of the Committee.

5. Meetings Attendance

University staff, including members of the Executive, may be invited to attend meetings of the Audit Committee as appropriate given areas of responsibility under examination.

The external auditors must attend meetings of the Committee where relevant matters such as planned audit coverage, the audit report on the annual report and financial statements and management letter are being discussed.

The Committee has the right to go into confidential sessions excluding any or all non-members and observers as appropriate.

6. Access to Resources and Information

The Audit Committee must be given sufficient resources and authority in its relationships with the Board of Governors, management and other appropriate parties, including internal and external auditors to fulfil its responsibilities. This will include authority to investigate any matters within its remit, resources so to do, and full access to information and personnel.

7. Quorum

At meetings of the Audit Committee, the quorum shall be two members including either the Convener or the Vice-Convener. If there is no quorum when a meeting is due to commence or before business is completed, the Governors present shall determine a date and place for the meeting to be reconvened.

8. Meetings

The Audit Committee must meet at least three times per year, the timing and content of the meetings following as far as possible the planning and reporting cycles of internal and external audit.

Meetings may also be convened by special request of the Chair of the Board of Governors or by either the internal and external auditors.

SCHEDULE 2.2: CHAIR'S COMMITTEE**Remit**

- (i) To consider, on behalf of the Board of Governors where it is impracticable to convene a meeting of the Board of Governors, urgent matters and matters requiring a high degree of confidentiality, and on such matters to advise the Principal on the exercise of his/her powers relating to the organisation and management of the University and discipline within it.
- (ii) To receive and comment on proposals from the Honorary Degrees Committee for Honorary Awards.

Composition*All Ex Officio*

Chair of the Board of Governors (Convener)

Vice-Chair of the Board of Governors (Vice-Convener)

Convener of the Finance and General Purposes Committee

Convener of the Staff Governance Committee

Principal

Immediate past Chair of the Board of Governors, provided that he/she is still a Governor.

The University Secretary will be in attendance at all meetings of the Chair's Committee.

SCHEDULE 2.3: FINANCE AND GENERAL PURPOSES COMMITTEE**Remit**

- (i) To advise the Board of Governors on policy, strategy and planning in relation to all estates and financial matters.
- (ii) To recommend to the Board of Governors for approval the annual budgets for income and expenditure, including the annual allocation of recurrent and capital grant, and to monitor performance against these approved budgets.
- (iii) To consider the Annual Report and Financial Statements and Financial Forecasts and recommend these to the Board of Governors for approval.
- (iv) To consider options for the acquisition, disposal, development, utilisation or best uses of land and buildings within the University's property portfolio and make recommendations to the Board of Governors.
- (v) To consider and recommend to the Board of Governors capital programmes for approval and to monitor progress on a regular basis of all capital developments projects.
- (vi) To oversee the system of financial control and administration and, as appropriate, to make recommendations thereon to the Board of Governors.
- (vii) To consider and make recommendations to the Board of Governors on matters relating to the arrangements for setting of fees and charges, the investment of University funds, insurance arrangements and on all proposals for borrowing.
- (viii) To consider and make recommendations to the Board of Governors on the University's Investment Strategy and appointment of External Investment Managers.
- (ix) To set performance targets for External Investment Managers and to meet them at least once per annum to monitor performance of both investments and of Investment Managers.
- (x) To oversee the effective and efficient management of the University estate through the monitoring and review of relevant performance indicators, benchmarking and reports.
- (xi) To review and assess the financial operations of all subsidiary and other related parties, including trust funds where appropriate.
- (xii) To oversee procedures for dealing with University patents and other intellectual property, and to monitor developments in this area as necessary.
- (xiii) To review, and recommend to the Board of Governors for approval, the financial arrangements relating to early retirement, redundancy and severance policy; also to consider, for Board approval, any specific proposals referred to it which fall outwith the approved policy and which have unplanned financial implications.
- (xiv) To oversee and monitor the arrangements for risk assessment and management in all matters related to this remit, including all relevant occupational health and safety matters.
- (xv) To consider all matters referred to the Committee by the Board of Governors.

Composition

Ex Officio

Chair of the Board of Governors

Principal

Ordinary Members

Not less than five Independent Governors, one of whom shall be appointed Convener

Staff Governor

Student Governors

At least one and not more than two members who are external to the University, i.e. who are not students, members of staff or Governors.

The University Secretary will be in attendance at all meetings of the Finance and General Purposes Committee.

SCHEDULE 2.4: GOVERNANCE AND NOMINATIONS COMMITTEE

Remit

- (i) To ensure the Board of Governors and the University complies with all relevant governance frameworks, including the [Scottish Code of Good Higher Education Governance](#), and to bring forward recommendations for change where necessary.
- (ii) To review periodically the Board's [Organisational Regulations](#), including the Board's Statement of Primary Responsibilities, to ensure they continue to support its work effectively.
- (iii) To consider current issues relating to best practice in institutional governance that it considers relevant to Board's current and future effectiveness and make recommendations, as appropriate, to the Board.
- (iv) To oversee the periodic reviews of the effectiveness of individual Governors, the Board of Governors and Academic Council, and their respective Committees.
- (v) To advise the Board of Governors on the preparation and publication of a register of the balance of skills, attributes and experience required in the membership of the Board of Governors, as required by the [Scottish Code of Good Higher Education Governance](#) (paragraph 15).
- (vi) Operating with delegated authority from the Board of Governors, oversee and manage the election and appointment process of the Chair of the Board in accordance with the provisions of the [Higher Education Governance \(Scotland\) Act 2016](#).
- (vii) To make recommendations to the Board of Governors concerning the appointment and re-appointment of Independent Governors, assessing any conflicts of interest as part of this process.
- (viii) To ensure best practice is adopted in relation to the appropriate induction and mentoring of new members of the Board of Governors.
- (ix) To make recommendations to the Board of Governors on the appointment of Office Bearers of the Board of Governors (refer to [Organisational Regulation O2](#), paragraph 10).
- (x) To make recommendations to the Board of Governors on the appointment of the Chancellor.

Composition

Ex Officio

Chair of the Board of Governors (Convener)

Vice-Chair of the Board of Governors (Vice-Convener)

Principal

Ordinary Members

Two Independent Governors (one of whom shall not be a member of the Chair's Committee)

One Staff Governor

One Student Governor

At least one and not more than two members who are external to the University, i.e. who are not students, members of staff or Governors.

The University Secretary will be in attendance at all meetings of the Governance and Nominations Committee.

SCHEDULE 2.5: REMUNERATION COMMITTEE

Remit

- (i) To determine the pay policy and related terms and conditions of employment for all staff on senior manager grades, and those roles rated as equivalent.
- (ii) To determine any annual uplift in the pay bands for senior managers, and roles rated as equivalent, paying particular regard to the recognition and reward strategy and policies agreed for all other staff groups by the Staff Governance Committee.
- (iii) To review objectives, targets and performance of the Principal, the Executive and roles rated as equivalent.
- (iv) To determine any performance related annual uplift for the Principal, the Executive and roles rated as equivalent.
- (v) To consider any views expressed, through the agreed fora, by students and staff, including representatives of the recognised trade unions, in relation to the remuneration package of Principal, the Executive and roles rated as equivalent.
- (vi) To consider, proposals for early retirement and/or redundancy in respect of senior managers where these fall out-with the approved early retirement/redundancy policy, out-with the approved budget provision or are in the category of 'severance' where Remuneration Committee consideration is required. The Committee will report, as appropriate, to the Finance and General Purposes Committee on those recommendations being endorsed or decisions taken which have financial implications.

Composition

The Convener will be the Convener of the Staff Governance Committee

A minimum of two and no more than three Independent Governors from the membership of the Staff Governance Committee, and one of whom shall also be a member of both Staff Governance Committee and the Finance and General Purposes Committee

Chair of the Board

One Staff Governor

One Student Governor

One member who is external to the University and is not a student, member of staff or Governor

The University Secretary will be in attendance at all meetings of the Remuneration Committee.

SCHEDULE 2.6: STAFF GOVERNANCE COMMITTEE**Remit**

The principal purpose of the Committee is to ensure that the University has a clear human resource strategy that has appropriate synergies with other strategies and is appropriate, realistic and achievable.

The Committee also has a governance role in reviewing achievements against plans, whilst ensuring that the strategy and plans can respond effectively to changing internal and external environments. The detailed responsibilities are as follows:

- (i) Contributes to, reviews and endorses overall strategy and planning and periodically assesses progress in relation to staff matters.
- (ii) Contributes to, reviews and endorses significant staff policies, which require its approval, including retirement, redundancy and severance policies.
- (iii) Considers the implications of any local, regional and national pay negotiations that fall outwith the approved plans or budgets and makes recommendations as appropriate to the Finance and General Purposes Committee.
- (iv) Receives reports on, and contributes to, significant planned organisational changes (restructuring) and reviews progress/outcomes.
- (v) Identifies and reviews key performance information in relation to key management strategies and policies, especially in terms of trends.
- (vi) Develops, monitors and reviews ethical policy matters that would be relevant to staff and also matters pertaining to corporate governance and risk management.
- (vii) Considers and reviews the appropriateness of structures, systems and processes for maintaining relationships with staff representative bodies.
- (viii) Contributes to, reviews and endorses the overall health and safety strategy, and the Corporate Health and Safety Plan; and considers any major items of concern specifically referred by the Occupational Health and Safety Forum.
- (ix) Considers all matters referred to the Committee by the Board of Governors and makes recommendations, as appropriate, in relation to the above aspects of its work to the Board of Governors.

Composition

Ex Officio

Chair of the Board of Governors

Principal

Ordinary Members

Not less than three Independent Governors, one of whom shall be appointed Convener

Three Governors selected from among the three Staff Governors and the two Trade Union Governors

One member who is external to the University and is not a student, member of staff or Governor

The University Secretary will be in attendance at all meetings of the Staff Governance Committee.