TERMS OF REFERENCE

1. Review the effectiveness of internal control systems, risk management and corporate governance arrangements, and in particular the external auditors' management letter, the internal auditors' annual report, and management responses.

2. Consider the Annual Financial Statements in the presence of the external auditors, including the auditors' formal opinion, the statement of members' responsibilities and the statement of internal control, in accordance with the funding council's accounts direction.

3. Monitor the implementation of agreed recommendations arising from internal and external audit reports.

4. Consider and advise the Council on the appointment and terms of reference of the external auditors, the audit fee, the provision of any non-audit services by the external auditors and any questions of resignation or dismissal of the external auditors.

5. Discuss with the external auditors each year, sufficiently before the audit begins, the nature and scope of the audit.

6. Discuss with the external auditors problems and reservations arising from the interim and final audits, including a review of the management letter, incorporating management responses, and any other matters the external auditors may wish to discuss (in the absence of management where necessary).

7. Consider and advise the governing body on the appointment and terms of engagement of the internal audit service (and the head of internal audit if applicable), the audit fee, the provision of any non-audit services by the internal auditors, and any questions of resignation or dismissal of the internal auditors.

8. Review the internal auditors' audit needs assessment, strategy and programme; consider major findings of internal audit investigations and management's response, and any other matters the external auditors may wish to discuss (in the absence of management where necessary); and promote coordination between the internal and external auditors. The Committee will ensure that the resources made available for internal audit are sufficient to meet the College's needs.

9. Ensure that all significant losses have been properly investigated and that the internal and external auditors, and where appropriate the funding council's accounting officer, have been informed.
10. Oversee the College’s policy on fraud and irregularity, including being notified of any action taken under that policy.

11. Receive any relevant reports from the National Audit Office, the HEFCE and other organisations.

12. Monitor annually the performance and effectiveness of external and internal auditors, including any matters affecting their independence and objectivity.

13. Report to the Council at least annually on its activity for the year, and after each meeting if necessary.

14. With regards to risk:
   a. review the College's overall approach to risk management;
   b. review and give annually its opinion to Council on the adequacy and effectiveness of the College’s risk management control and governance arrangements, including the College’s processes for identifying and assessing risks (in particular health and safety, animal care, security and IT risks) and its strategies and policies for managing them;
   c. receive and consider regular reports from the Finance Committee of their reviews of financial risks, including capital projects;
   d. review those risks (or opportunities) which have the potential to significantly impede (or advantage) the College in achieving its stated strategy;
   e. discuss in depth the sub-set of risks with the highest likelihood of occurrence or highest potential impact and in particular understand the potential scenarios and outcomes if these risks were to occur and how these might be mitigated (or made more likely);
   f. work with management, legal and internal audit to ensure that ample attention is paid to the most serious or likely risks and opportunities; and
   g. recommend to Council the College’s overall risk register and bring forward specific risks or opportunities to be discussed in more depth by Council.

15. Advise Council on the College’s arrangements for promoting economy, efficiency and effectiveness and on the College’s arrangements for the management and quality assurance of data submitted to the Higher Education Statistics Agency (HESA), HEFC and other funding bodies.

16. In the event of the merger or dissolution of the College, ensure that the necessary actions are completed, including arranging for a final set of financial statements to be completed and signed.

17. The Committee shall have the authority to call for any information from College officers, external and internal auditors and others which it considers necessary to discharge its responsibilities effectively.
CONSTITUTION

18. The Committee and its Chairman shall be appointed by the Council from among its own members and must consist of members with no executive responsibility for the management of the College. One member of the Audit and Risk Committee (and not its Chair) may also serve on the College’s Finance Committee.

19. Members

a. A Chairman to be appointed by the Council from among the external members of the Council.

b. At least two members, at least one of whom shall have recent and relevant expertise and experience in finance, accounting or auditing, to be appointed by the Council from among the external members of the Council. Member expertise in risk analysis and management is desirable.

c. The Committee shall have the power to co-opt up to two additional external members, if it sees fit.

20. In Attendance (as appropriate)

The President or Provost
The College Secretary
The Chief Financial Officer
The Vice Provost Research
The Vice Provost Education
The Director of Risk Management
The Head of Legal Services
The Director of Safety
The Establishment Licence Holder¹
The President of Imperial College Union
Internal Audit
Representatives of the external auditors

21. Secretary

The Head of Central Secretariat and Assistant Clerk to the Court and Council.

MEETINGS AND REPORTING

22. The Committee shall meet at least three times a year. The external auditors and internal auditors may request additional meetings be held if they consider it necessary.

23. The minutes of meetings of the Committee will be available to all members of the Council.

¹ As required by the Animals (Scientific Procedures) Act 1986
24. The Committee will prepare an annual Report for the Council and the President covering the College's financial year and any significant issues up to the date of signing the Report and its consideration of the financial statements for the year. The Report must include the Committee’s opinion on the adequacy and effectiveness of the College's arrangements for:


b. Economy, efficiency and effectiveness (value for money).

c. The management and quality assurance of data submitted to the Higher Education Statistics Agency (HESA), the Student Loans Company, HEFCE and other bodies.

25. This Report will be presented to the Council before the members’ responsibility statement in the Annual Financial Statements is signed and must be shared with HEFCE each year.

QUORUM

26. The quorum shall be the Chairman and one other member.
FINANCE COMMITTEE

TERMS OF REFERENCE

1. Provide for College and Council strategic and expert oversight of long term financial plan, operational issues and budgetary decisions.

2. Provide strategic overview of finances, with a focus on longer-term financial plan (cashflow, capital investment, debt) and the actions taken by the Executive to achieve it (performance targets, resource allocations)

3. Undertake regular review of financial risks including capital projects, and report findings to the Audit & Risk Committee

4. Provide oversight of our long term financial plan and our financial operations, and risks related to liquidity, debt, resource allocation and financial contingencies, but not of financial controls which remains with the Audit & Risk Committee

5. Review at each meeting a scorecard of a range of financial measures (e.g. liquidity, profitability) undertake an annual review of TRAC results with consideration for financial sustainability

6. Escalate to Council any issues of more general interest or concern

CONSTITUTION

7. The Committee and its Chairman shall be appointed by the Council from among its own members. HEFCE guidelines state that only one member of Council can be a member of both the Audit and the Finance Committee; and this person cannot be Chair of either committee; and the dual role has to be supported by a specific Council resolution.

8. Members

   a. A Chairman to be appointed by the Council from among the external members of the Council.

   b. At least one additional members to be appointed by the Council from among the external members of the Council.

   c. President and CFO.

   d. The Committee shall have the power to co-opt up to two additional external members, if it sees fit.
9. **In Attendance**

   a. Chair of Audit Committee in attendance from time to time to ensure clear allocation of responsibilities between Audit and Finance Committees (cannot be member due to HEFCE guidelines).

   b. Director of Financial Management.

   c. Director of Financial Strategy.

10. **Secretary.** Secretariat from the Finance team

**MEETINGS AND REPORTING**

11. Meet once a term phased with Council meetings in February, July and November. The meetings are structured to help College senior management team with longer term financial plan to capture opportunities and mitigate risks.

12. The Chair provides a brief oral summary and a short written report to Council at the February, July and November meetings. The Committee confirms to Council alignment of annual submission of capital plan and next year budget with longer-term financial plan.

13. The Finance Committee reviews and makes recommendations on all requests for capital investments and can approve requests up to £30m. All requests exceeding £30m will be escalated to Council by the Finance Committee and with its recommendation.

14. The Finance Committee will review all financial policies prior to being submitted to Council for approval.

15. Management will provide access to internal and external experts and advisors as appropriate.
NOMINATIONS COMMITTEE

TERMS OF REFERENCE

1. To keep under review the membership of the Council, the Court and of the Council’s Committees.

2. To recommend to the Council external members for co-option to the Council.

3. To recommend to the Council persons for co-option to the Court.

4. To recommend to the Council persons for nomination by those Appointing Bodies requesting nominations to be made for them.

5. To make recommendations to the Council for the membership and terms of reference of a separate Search Committee for the identification of a new President or Provost in good time before the termination of the President’s or Provost’s term of office, or on notification of the President's or Provost's resignation.

6. To make recommendations to the Council for the membership and terms of reference of a separate Search Committee for the identification of a new Chairman in good time before the termination of the Chairman’s final term of office, or on notification of the Chairman’s resignation, and to make recommendations to the Council for the role description and person specification for the Chairman before the Search Committee begins its search.

7. To recommend to the Council such additional definition of terms as may be necessary to facilitate the procedures for the appointment, election and co-option of persons to the Court and Council.

8. To recommend to the Council the appointment of persons to other external bodies in cases where the Council is the Appointing Body.

9. The Committee’s recommendations for appointments to the Court and Council and to other bodies shall be made to the Council as and when required.

CONSTITUTION

9. **Members**

   a. The Chairman of the Council (Chairman)

   b. Three external members of the Council, appointed by the Council

   c. Three senior staff and/ or *ex-officio* members of the Council, not including the elected member of the staff or the Imperial College Union President, appointed by the Council.
10. **Secretary**

   The Clerk to the Council

**MEETINGS AND REPORTING**

11. The Committee shall meet as required.

**QUORUM**

12. The quorum shall be the Chairman and two other members, including at least one external member and one staff or ex-officio member.
REMUNERATION COMMITTEE

TERMS OF REFERENCE

1. To receive comparative information on salaries, other emoluments and conditions of service in the university sector.

2. To review and approve annually the salaries and emoluments of the President and of such senior staff as report directly to the President or who may, from time to time, be agreed by the Committee.

3. To review and approve any discretionary salary revisions for such staff.

4. To consider and resolve any apparent anomalies in remuneration.

5. To consider and decide any severance payments proposed for staff listed in Paragraph 2 above.

6. To agree in advance remuneration packages outside the norm.

7. To review information on College reward strategy and policy.

8. To receive annually information from the President and the Provost on the decisions made by the College Cabinet and the Provost’s Board concerning the salaries and other emoluments of professorial and such other senior staff as may, from time to time, be agreed.

CONSTITUTION

9. Members
   a. The Chairman of the Council (Chairman)
   b. Three external members of the Council, appointed by the Council

10. In Attendance
    a. The President (except when his or her own remuneration is being considered).
    b. The Provost (except when the President’s or his or her own remuneration is being considered)

11. Secretary
    The Director of Human Resources
MEETINGS AND REPORTING

12. The Committee shall meet at least two times per annum.

13. The Committee will make an annual report on remuneration to the Council at its Autumn meeting.

SCOPE

14. The Remuneration Committee reviews and approves the pay of the President. It also reviews and approves recommendations for variation of pay for the senior staff members of the Council and the College Secretary.

QUORUM

15. The quorum shall be the Chairman and one other member.

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