

IMPERIAL COLLEGE LONDON

ORDINANCE A9

TERMS OF REFERENCE FOR COMMITTEES OF THE COUNCIL

AUDIT & RISK COMMITTEE

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 co-ordination 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:

- a. Risk Management, control and governance arrangements.
- 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

These terms of reference are set in accordance with the Committee of University Chairs - Higher Education Senior Staff Remuneration Code.

1. To review and approve the application of the College's pay relativity criteria for the President and the Provost, their senior staff direct reports and members of the Provost's and President's Boards. These criteria apply to the total remuneration paid by the College to these staff.

Pay Relativity Criteria: Pay is set at mid to upper quartile against appropriate external benchmarks and only adjusted:

- To address a significant misalignment of a member of staff's salary when compared to others who have a similar size role and profile
 - To aid retention of staff, based on external benchmark data
 - To address equal pay differentials
 - To recognise substantial and sustained exceptional ongoing individual contribution beyond the expectations of excellent performance in the role
 - To recognise substantial and exceptional one-off individual contribution beyond the expectations of excellent performance in the role
2. To agree, in advance, remuneration packages outside the norm and to consider and decide any severance payments proposed for the staff specified above.
 3. To review the application of the College's reward strategy on an annual basis to ensure that remuneration practices are being managed in a fair and equitable way. This review to be informed by the following supporting data:
 - Details of the across the board local pay award and any variation to benefits for all staff
 - Summary information on the application of discretionary pay adjustments for all staff
 - The annual equal pay audit
 - The annual gender pay audit (and other specific protected pay audits as published)
 - Pay ratios and relevant comparator information
 - Information on numbers of staff earning a total salary of more than £100,000, with trend data on average increases for the previous five years compared to average increases for all staff over five years
 - Detail of the individuals earning over £150,000 and the justification for any variation to pay (above the College across the board increase) reported on an individual basis and with reference to the College's pay relativity criteria applied to all staff.
 - Details of the expenses of senior staff and confirmation from a senior finance office that they have been claimed in accordance with the standard, published, expenses policy.

- Details of any benefits not available to all staff and the monetary value.

CONSTITUTION

4. **Members**

- a. The Chair of Council (Chair)
- b. The Deputy Chair of the Council
- c. Two other external members of the Council, appointed by the Council

5. **In Attendance**

The Provost and the President are invited to participate in discussions on specified agenda items and to present recommendations for adjustments to the pay of their direct reports.

The Provost and the President are not present for the full meeting. No one participates in a discussion about their own salary.

6. **Secretary**

The Director of Human Resources

MEETINGS AND REPORTING

7. The Committee shall meet at least two times *per annum*.
8. The Committee, when considering the President's remuneration, will be chaired by the Deputy Chair of Council.
9. The Committee will make an annual report on remuneration to the Council. This report will be made available on the College's webpages after the Council meeting. The report will contain:
 - A list of post holders within the remit of Remuneration Committee.
 - The policy on the remuneration for post holders within the remit of the Committee.
 - The choice of comparator institutions and organisations against which the College benchmarks pay.
 - The policy on income derived from external activities.
 - The pay multiple of the Head of Institution and the median earnings of the College's whole workforce explaining how the multiple has changed over time and any significant changes in the last year.

QUORUM

9. The quorum shall be the Chairman and two other members.

WHITE CITY CAMPUS SYNDICATE

TERMS OF REFERENCE

1. The Syndicate will be an Advisory Committee of Council and will be known as The White City Campus Syndicate (TWCCS). It will meet at least four times a year.
2. The primary purposes of TWCCS will be to advise Council on the progress College is making on its agreed plans for White City and to advise the College on how to develop its co-location strategy at White City by developing the long term academic, entrepreneurial, innovative environment that will attract talented people and institutions in the future. This will include specific issues such as the physical development, the infrastructure strategy and providing an annual/semi-annual business and estates plan check and risk management overview.
3. TWCCS will be chaired by a non-executive member of Council who will report to Council at each meeting and will advise Council annually on any changes it recommends to the Terms of Reference. The Chair will also meet regularly with the Associate Provost (Academic Planning) and the Director of Estates to discuss progress on the development at White City.
4. There will be four to six (4-6) non-executive members of TWCCS:
 - a. Two to three (2-3) from Council, including the Chair
 - b. Two to Three (2-3) not from Council, selected for relevant expertise.
5. TWCCS meetings will be attended by up to seven executive members of the College:
 - a. The President
 - b. The Provost
 - c. The Chief Financial Officer
 - d. The Associate Provost (Academic Planning)
 - e. Director of Estates
 - f. Director of Financial Strategy
 - g. President's Chief of Staff
6. Other members of the College should be invited to attend as appropriate, for instance the Vice-President (Advancement) due to the importance of philanthropy to the funding of the development and the Vice Provosts of Research and Education given the central importance of their mandates to the College's plans for White City. Secretariat support will be provided by the College Secretariat.
7. The quorum for a meeting will be not less than half of all members.

Revisions approved by the Council: 24 September 2010

Revisions approved by the Council: 26 November 2010

Revisions approved by the Council: 7 February 2014

Revisions approved by the Council: 14 July 2017

Revisions approved by the Council: 13 July 2018

Revisions approved by the Council: 17 May 2019