

## St Peter's College, Oxford

### Audit, Risk and Remuneration Committee

#### Terms of Reference

##### Aims and Responsibilities

##### A. Audit and Risk

1. To monitor that there are appropriate systems in place to provide reasonable assurance that the resources of the College are effectively allocated and used.
2. To monitor that the public funds and income from the University and the College Contributions Committee are properly used for the purposes for which they were granted to the College.
3. To monitor that there are appropriate systems in place for the assessment and management of areas of material and of financial risk within the College and in the deployment and investment of its assets.
4. To review the performance of the College's auditors, and to advise the Governing Body on any changes that ought to be made to their terms of appointment or to appoint new auditors, and on the appropriate audit fee.
5. To review the annual financial statements before submission to Governing Body focusing particularly on significant adjustments resulting from the audit, compliance with accounting and reporting standards, and problems and reservations arising from the audit.
6. To review the external auditors' Key Issues Memorandum and Management Letter and the College's response.
7. To review the Risk Register as part of an annual rolling programme to check that in its judgement the key risks facing the College are adequately considered, and that the Risk Register reflects the College's risk management policy.
8. To undertake project and other audit reviews, as requested by the Governing Body.
9. To commission reviews of specific controls and procedures, as the Committee judges fit.
10. At each meeting (or between meetings if necessary) the Committee will receive a report from the Master on prospective and actual donations which could give rise to a potential or actual conflict of interest with matters such as the admission, performance concerns and disciplining of undergraduate and graduate students. This is to be a standing item on the Committee's meeting agenda.

##### B. Remuneration

11. To review and ratify starting salaries and benefits of the Master, Bursar, Development Director, Finance Director/College Accountant, Registrar, and those of other senior graded non-academic staff when required by the Salary Review Group.
12. To make formal proposals in Trinity Term to the Governing Body concerning:
  - the Master, Bursar, Development Director, Finance Director/College Accountant, Registrar (salary increases)
  - Official and Professorial Fellows (allowances)
  - College Officers (honoraria) <sup>1</sup>

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<sup>1</sup> College Officers listed in Statute V.12 who are in receipt of honoraria by agreement of the Governing Body: Vice-Master, Dean, Dean of Degrees, Fellow Librarian, Senior Tutor. (The Bursar and Chaplain are also listed but receive a salary.) Other positions for which an honorarium is paid are currently as follows: Tutor for Admissions, Tutor for Graduates, Tutor for Undergraduates, Tutor for Visiting Students, Tutor for Welfare, Computer Curator, Website Coordinator, Fellow Archivist, College Record editors (2)

- Graded non-academic staff (standard and discretionary awards (aggregate data and costs)
  - Ungraded non-academic staff ie domestic staff (College Cost of Living award)
13. The Governing Body may accept those proposals or may decide to make lower awards. However, it cannot make higher awards than those proposed by the Committee.
14. For an individual to receive a salary increase greater than the basic Cost of Living award, at least one of the following conditions must be satisfied:
- The individual has a contractual right to an annual increase, and any conditions for receiving that increase have been met (e.g. satisfactory performance);
  - There has been a permanent, material increase in the individual's duties;
  - Is the individual's rate of pay so far below the market rates for comparable jobs that the Committee considers there to be a compelling retention concern;
  - The individual's performance has developed significantly since their appointment;
  - The individual's performance is deemed to be of sufficiently exemplary standing;
  - The individual has temporarily taken on additional duties (e.g. to cover for someone's absence) which merit a temporary increase;
  - The individual has undertaken a project or piece of work which merits an additional payment (either permanent or one off) or series of payments.
15. In addition to satisfying one of those conditions, the Committee must also have regard to the affordability of the award and any impact it might have on differentials from other individuals' remuneration. The Committee will provide an indication of the College Cost of Living award that it is considering at its Hilary Term meeting, and will receive the Finance Committee's views on the affordability of that general award prior to its Trinity Term meeting. The Committee will also receive relevant benchmarking information concerning other colleges, together with any other information it considers necessary for the proper consideration of general or individual uplifts.
16. Remuneration increments will be also made by reference to and cognisant of the 'Cost of Living' uplift for academic salaries set externally, and any enhanced increment above this level needs explicit justification.
17. The Committee will rely on representations either from a person more senior than the potential beneficiary of the award or from GB to consider such individual increases.
18. When reviewing allowances and honoraria for Fellows, the Committee will consider the general CoL uplift, as well as academic scale increases. Where a role for which an allowance or honorarium is paid has become more time-consuming or burdensome, the Committee will consider a greater increase. For the Housing Allowance (which is the largest allowance), the Committee will also take into account the amounts paid by other colleges, with a view to the College being at or close to the median, subject to affordability.

### Membership and attendance

19. The Committee will consist of two internal members and three external members, as follows:
- Internal members:
- Eligibility is restricted to Fellows who are currently members of the Governing Body, with the exception of the Bursar, who may not be a member of the committee. The internal members will normally be a Professorial Fellow and either the Vice Master or the Senior Fellow.
  - Election: internal members may be proposed by the Master and approved by the GB.
  - Remuneration discussions: the Master and the Bursar must not be present for discussions of their own remuneration; internal members will be excluded from discussion of any items of remuneration from which they would personally benefit or where there would be any other conflict of interest.

External members:

- these may include Honorary Fellows, but not Emeritus Fellows
- election: external members may be proposed by members of the GB or the Committee, selected by a panel appointed by the GB and chaired by the Chair of the Committee, and ratified by the GB.

20. The Master may attend any meeting. The Bursar may attend meetings by formal invitation. Other College Officers may also attend meetings by formal invitation.

#### Term

21. Members shall serve ordinarily for a maximum of two terms of four years. One academic term in advance of the end of their first term of office members may put themselves forward for re-election for a subsequent term of office. Re-election proposals will be considered by the committee and ratified by the GB.

#### Chair

22. One of the external members will be the Chair. The Chair will be elected by the committee. The Chair will hold a casting vote if the Committee is unable to make a decision by majority. If the Chair is elected during their second term, then he/she could serve as Chair for four further years from that date. Ordinarily, the total time on the committee should not in this case exceed twelve years.

#### Quorum and Meeting

23. The quorum will be three, including at least one of the external members. At least two external members must be present for decisions concerning remuneration.

The Committee will normally meet in Week Six, in advance of the last Governing Body meeting of each term, and at such other times as *either* the Master, *or* the Chair *or* three members of the Committee *or* the Governing Body deems necessary.

*Approved by the Governing Body on 6 March 2019*