

Northern Ireland Audit Office (NIAO)

Remuneration Committee Terms of Reference

1. Constitution and Purpose

The Comptroller and Auditor General (C&AG), as the Accounting Officer of the Northern Ireland Audit Office (NIAO), is responsible for ensuring that there are effective arrangements for governance, risk management and internal control.

The Advisory Board (The Board) supports the C&AG in this role by reviewing the comprehensiveness and reliability of assurances on governance, risk management, the control environment and the integrity of financial statements and the annual report.

The Board has delegated to the Remuneration Committee responsibility for advising on matters falling within the scope of its responsibilities as set out in these Terms of Reference.

2. Membership

The Remuneration Committee comprises all non-executive Board members of NIAO. The Chairperson of this Committee will be appointed by the Board Chairperson.

A member of NIAO Corporate Services will provide the Remuneration Committee with a secretariat function, normally the Human Resources Manager.

3. Responsibilities

The Remuneration Committee will support the Board in advising the C&AG as Accounting Officer in the following areas:

In relation to members of NIAO's Senior Management Team, to advise on:

- terms & conditions of employment, including job descriptions and pay settlements;
- talent management and succession planning arrangements;
- remuneration for newly appointed members of the Senior Management Team;
- applications for early retirement; and

- compensation payments for loss of office.

In relation to any other staff employed by NIAO, to advise on:

- terms and conditions of employment;
- the alignment of pay settlements with policies implemented by the wider public sector;
- the remuneration arrangements governing all terms & conditions of employment, including pay, benefits, retirement policy and other policies relating to compensation for loss of office; and
- the application of remuneration policy on an annual basis. For example, the outturn of the annual pay award.

The Remuneration Committee may also advise the Board and C&AG on issues relating to structural change exercises such as organisational development, job evaluation and role reviews.

When undertaking its responsibilities the Remuneration Committee will ensure it applies equality, clarity, proportionality and fairness.

4. Resourcing

Subject to the budgets agreed by the C&AG with the Board, the Remuneration Committee may:

- select and appoint specialist ad-hoc advice at the expense of the NIAO; and
- avail of suitable induction training and continuous professional development training for members.

The Committee may undertake any activity within its terms of reference and seek any information it requires to carry out its duties.

5. Access

The following parties will have free and confidential access to the Chair of the Remuneration Committee:

- any externally appointed specialist advisor(s); and

- the Human Resources Manager.

The Chairperson will report on the business of the Committee to the Advisory Board.

6. Meetings

The Remuneration Committee will meet as required, but at least once per year. The core work programme is as attached to these terms of reference (Appendix 1). The Chair of the Committee may convene additional meetings as he/she deems necessary.

A minimum of two members of the Remuneration Committee will be present for the meeting to be deemed quorate. If the Chair cannot be present, the members must appoint one of the other members to preside at the meeting.

Remuneration Committee meetings will normally be attended by the Chief Operating Officer, the Director of Corporate Services, the Human Resources Manager and, where appropriate, a representative of any appointed external advisor(s). The Remuneration Committee may ask any other officials of NIAO to attend to assist it with its discussions on any particular matter.

The Remuneration Committee may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters.

The Board or C&AG may ask the Remuneration Committee to convene further meetings to discuss particular issues on which they want the Committee's advice.

7. Information Requirements

For each meeting of the Remuneration Committee, the Chairperson shall confirm the agenda with the secretariat. The agenda and supporting papers will be sent out at least five working days in advance of meetings. All papers will clearly state the author, the purpose of the paper and the action the Committee is asked to consider.

Formal minutes will be taken of the proceedings of the Remuneration Committee. These draft minutes shall be distributed for consideration and review, to the Chair of the Meeting within five working days of the meeting and distributed to Committee members within ten working days of the meeting.

8. Reporting

The draft minutes will be presented at the next Remuneration Committee or Board meeting, whichever comes sooner, for approval. In any event, all Remuneration Committee minutes will be presented to the Board for approval.

9. Conflicts of Interest and Conduct

Remuneration Committee members will apply the principles of public service as set out in the NIAO Code of Conduct. This will include advising of any external interests which may conflict with duties and responsibilities in accordance with NIAO Code of Conduct arrangements.

10. Review and Approval

This Terms of Reference will be reviewed by the Remuneration Committee annually and presented to the Board for approval.

Advisory Board Chairperson signature

Date

C&AG's Signature

Date

Work Programme for the Remuneration Committee

- Review and advise on the strategy to be used as the basis for negotiation between NIAO's negotiating team and trade union side;
- Review the overall impact upon the pay bill of the proposals made by NIAO Management Team in respect of the annual pay awards.
- Review overall outturn of all awards following the last annual pay award cycle; and
- Agree future priority areas for consideration and prepare report for the Board and C&AG.