



Government Internal Audit Agency (GIAA) Remuneration and Nominations Committee Terms of Reference

Last approved by GIAA Board: 04 June 2019

1. Purpose and role

1.1 The Government Internal Audit Agency's Nominations and Remuneration Committee (NRC) maintains oversight of succession planning for senior level appointments and the board, reviews Senior Civil Service (SCS) pay and incentives, and agrees nominations within the Agency.

1.2 To fulfil its purpose, the Committee shall:

- scrutinise incentives and rewards for executive board members and of senior management, and advise on the extent to which these arrangements are effective at improving performance; no executive or director shall be involved in any decision about their own remuneration;
- consider proposals from the Chief Executive regarding overall remuneration across the Agency, ensuring that the remuneration terms are consistent with Civil Service guidance;
- in considering these proposals, have regard to the Agency's key priorities and performance against them and take into account any other factors which it deems necessary – internal and external comparative information, and data and information supplied by external parties;
- before appointment of Non-Executive Board Members (NEBMs) is made by the board, evaluate the balance of skills, knowledge and experience on the board, and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment. In identifying suitable candidates the Committee shall:
 - use open advertising or the services of external advisers to facilitate the search;
 - consider candidates from a wide range of backgrounds; and
 - consider candidates on merit and against objective criteria and due regard to the benefits of diversity on the board including gender, taking care that appointees have enough time available to devote to the position;
- review annually the time required from NEBMs. Performance evaluation should be used to assess whether the NEBMs are spending enough time to fulfil their duties; and



- ensure that on appointment to the board, NEMBs receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment and involvement outside board meetings.
- 1.3 The Committee shall also make recommendations to the board concerning:
- scrutinising systems for identifying and developing leadership and high potential;
 - scrutinising plans for orderly succession appointments to the board and of senior management, in order to maintain an appropriate balance of skills and experience; and
 - the re-appointment of any NEBM at the conclusion of their specified term of office having given due regard to their performance and ability to continue to contribute to the board in the light of the knowledge, skills and experience required.
- 1.4 The Committee is expected to fulfil this role using its collective skills and external experience. It is also expected to comply with the corporate governance code of good practice for government departments.

2. Composition

2.1 Members:

- Chair/Non-Executive Board Member
- Non-Executive Board Member
- Non-Executive Board Member

2.2 Others attending in a support capacity:

- Chief Executive Officer (CEO)
- Chief Operating Officer (COO)
- Head of Human Resources
- Secretariat

2.3 Members of the Committee shall be appointed by the board and shall be made up of at least three members, the majority of whom should be independent NEBMs.

2.4 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the CEO, COO, Operational Directors, the Head of Human Resources and external advisers may be invited to attend for all or part of any meeting, as and when appropriate. The Agency's HMT senior sponsor is invited to meetings when year-end performance awards for SCS are discussed.

2.5 The board shall appoint the Committee Chair who should be either the Chair of the board or a non-executive. In the absence of the Committee Chair and/or appointed deputy, the remaining members present shall elect one of their number to chair the meeting.

2.6 Quorum: The quorum necessary for the transaction of business shall be two, both of whom must be NEBMs. A duly convened meeting of the Committee, at which a quorum



is present, shall be competent to exercise all of the authorities, powers and discretions vested in or exercisable by the Committee.

- 2.7 Deputies: With the agreement of the Chair, executive board members and the HMT sponsor may send deputies to the meeting, but such deputies must be empowered to engage and make decisions on their behalf. If the Chair is unable to attend a meeting due to unforeseen circumstances, she may nominate one of the other non-executives to chair the meeting.
- 2.8 The Committee will not establish a formal schedule of meetings. The committee shall meet at key points in the year, and on average will have two to three meetings per year.

3. Support and reporting responsibilities

- 3.1 The Committee is supported by the GIAA Secretariat. The Secretariat discusses and manages the agendas and actions in conjunction with the Chair and Chief Executive.
- 3.2 An agenda and papers for each meeting are circulated to all attendees at least two working days before the meeting.
- 3.3 All papers must have a cover sheet to clearly explain the objective of the item and the 'ask' of the Committee.
- 3.4 In certain circumstances, it may be necessary for the board to seek external advice, which will be commissioned through the Chief Executive.
- 3.5 At the end of each agenda item, the Chair summarises the position of the Committee and any agreed actions. At the end of each meeting, a nominated member reviews the meeting and provides oral feedback on its effectiveness.
- 3.6 Decisions and follow-up actions required are sent to the Chair for provisional approval within five working days of the meeting and circulated to the Committee and other attendees thereafter.
- 3.7 Following the meeting, any person nominated as responsible for follow-up action, is notified by the Secretariat. Action owners are responsible for keeping the Secretariat informed of progress regarding the actions, and should inform the Secretariat when an action is complete or if there are any issues impacting on its progress. The Secretariat may request an update from an action owner at any time, in order to gather information for the Committee's review.
- 3.8 The Committee Chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 3.9 The Committee shall make a statement in the annual report about its activities, the process used to make appointments and explain if external advice or open advertising has not been used.



4. Review

- 4.1 The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.