



Civil Nuclear Police Authority

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**Annual Report
& Accounts 2015/16**

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Civil Nuclear Police Authority

Annual Report & Accounts
2015/16

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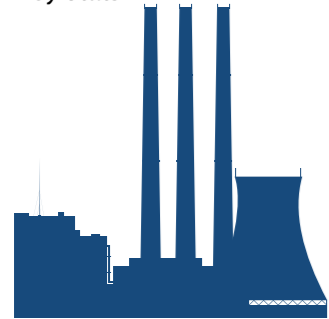
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Chairman's statement

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Key Stats



We protect **11** licensed nuclear sites across the country

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The Civil Nuclear Constabulary (CNC) carries out a nationally important and unique task and one which becomes ever more challenging in the face of global terrorism.

Although deterrence, based on demonstrable, high, professional standards, provides the first line of defence; behind that, there must be officers prepared at short notice to use lawful legal force to defend the 11 nuclear sites to which we are deployed. This is an enormous responsibility which requires highly trained and physically fit constables.

One of the evolutions which the Police Authority has continued to drive is alignment with Home Office forces and Police Scotland. We undertake exactly the same College of Policing licensed firearms training and achieve the same standards of physical fitness as they do. We have provided support to Home Office forces frequently during the year and, as the fourth largest armed constabulary in the United Kingdom, we stand ready to support our Home Office colleagues in the event of a major, and perhaps sustained, incident.

The weight of this responsibility is also shared with the 250 police staff who are essential and integral to delivering the CNC's outputs. They have had a busy year delivering, amongst other things, a comprehensive outsourcing programme, introducing a vastly improved IT system, controlling our £100 million budget, and working with our 40 stakeholders. They tirelessly implement the policy and procedure changes which drive the organisation's continuous evolution.

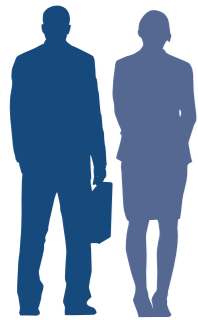
Next year will be no less challenging. Internally, we will continue to pursue the changes delivered by the People Programme, including the long awaited changes to terms and conditions of service. Externally, we wait to respond to the outcome of the Home Office's examination of infrastructure policing. Whatever that may be, there will always be a requirement for a highly trained, armed police force to protect the nation's civil nuclear assets. That is our core, unique activity, for which we are armed, trained and equipped to continue delivering this demanding role into the foreseeable future.



Sir Philip Trousdell
Chairman

Ambition, Mission & Credo

Key Stats



Over
40
Stakeholders

Our Ambition

To be recognised as the leading UK authority on the armed protection of civil nuclear facilities and material in transit.

Our Mission

In partnership with the civil nuclear industry, national security agencies and regulatory bodies the CNC will deter any attacker whose intent is the theft or sabotage of nuclear material whether static or in transit. If an attack occurs CNC will defend that material and deny access to it. If material is seized or high consequence facilities are compromised the CNC will recover control of the facility and regain custody of the material.

Our Credo

We are proud to be part of the security structure which defends the nation. We deliver to our mission by being recruited, trained, deployed and developed to the required national and international standards. We are capable of carrying out our duties in a flexible and dynamic way, instilling in ourselves a clear sense of purpose. If we use force we do so in a manner proportionate to the threat, recognising and upholding the principles enshrined in the European Convention on Human Rights. We, if officers, exemplify in our duties the attestation made on our first day of service:

“I do solemnly and sincerely declare and affirm that I will well and truly serve the Queen in the office of constable, with fairness, integrity, diligence and impartiality ...according equal respect to all people.”

As members of staff we share those ideals; all of us whatever our role recognising that it is only by acting together that the mission can be achieved. We have the courage not only to deliver to the mission but also to challenge ourselves constantly to improve and develop. We are selfless in our pursuit of the national interest, giving our fellow citizens confidence that civil nuclear material is safe from the terrorist threat.

Performance Report

Chief Executive Officer and Chief Constable's Overview

Against the backdrop of a heightened national threat after the Paris and Brussels terrorist attacks, the Civil Nuclear Constabulary has ensured that it is fit-for-purpose and ready to respond to whatever changes to its operational posture may be asked of it. In doing so, the organisation has confirmed that it is able and ready, if called upon, to provide support to national contingency operations.

2015/16 proved yet again to be a very demanding year across the Civil Nuclear Constabulary and all members of the organisation played their part in delivering against our mission. We focused our work against 4 critical 'no fail' activities:

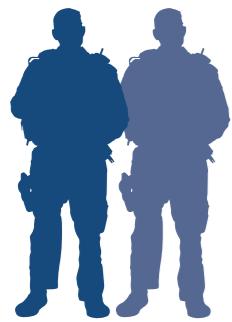
- **Delivering the operation** - 24/7 armed response across all 11 sites and all planned road and sea escorts successfully executed to plan;
- **Maintaining the licence** - successful accreditation of the CNPA's firearms licence for a further 4 years by the College of Policing;
- **Increasing Authorised Firearms Officer capability** - ensuring our Authorised Firearms Officers (AFOs) were trained to their full role profile and that we deployed full operating capability to all EDF Energy sites from June 2015; and
- **Securing funding for 2015/16 budget** - appropriate funding secured against a backdrop of tight spending controls and difficult trading conditions for Site License Companies (SLCs).

It is worthy of note that these activities were all successfully delivered in year and on time.

In a broader sense our 3 year Strategic Plan for 2015-18 was designed to be deliberately challenging to see us to the end of the uplift programme started in 2011 and to prepare for a significant series of strategic national and international escort operations. Change, both internal and external, continued to impact on what we do and on our workforce. Perhaps the most significant being our withdrawal from Wylfa Power Station, after ten years of providing an armed response to the site, and the ongoing Infrastructure Policing Project started as a result of the National Security Strategy and Strategic Defence and Security Review 2015. This, alongside the need to drive efficiency into the policing models across the 11 sites, has ensured that all aspects of our planning and resourcing engine have been fully tested in delivering on our 4 Strategic Objectives.



Key Stats



Over
1,100
Authorised
Firearms
Officers

Looking forward, our Strategy and Business Plan 2016-19 is published on GOVUK and sets out our strategic objectives, underpinning priorities and key deliverables for the next three years. I consider our critical 'no fail' activities for 2016/17 to be:

- **Delivering the operation** - through planned escort activity and robust site operations with an enhanced focus on recovery and increased deployability;
- **Supporting the operation** - through high end training, exercising and capability improvement;
- **Supporting our officers and staff** - bringing the People Programme to a coherent conclusion; and
- **Delivering best value** - driving more efficient business management into the organisation.



Mike Griffiths
Chief Executive Officer and Chief Constable

Business Model

Who are we	The CNPA is a body corporate established by the Energy Act 2004 and an executive non-departmental public body of the Department of Energy and Climate Change (DECC). The CNPA is headquartered at Culham, Oxfordshire.
What we do	The CNPA is charged, pursuant to the 2004 Act, with maintaining an efficient and effective CNC and employs its police officers and police staff. The CNC provides an armed response capability for the UK's civil nuclear industry. The CNC operates from 11 units based at licensed nuclear sites throughout the UK and provides armed escorts for movements of nuclear materials within the UK and abroad.
How we do it	The CNPA works in partnership with the appropriate Home Office police force and Police Scotland at each site. Armed response capabilities required at each site are agreed with site operators in accordance with the Nuclear Industries Security Regulations 2003 and ratified by the UK regulator, the Office for Nuclear Regulation. Armed officers are deployed to meet these capabilities on a 24/7 basis. Our patrol strategy is designed to constrain the operating environment for anyone with malicious intent, to deter and disrupt their potential operations and to reassure the public close to nuclear sites.
Why we do it	The CNPA works in partnership with site operators and carriers to protect the civil nuclear industry from terrorist attack.

Our future is closely related to the future of our customers. We may also be affected by changes to the Energy Act 2004. As the nuclear decommissioning process continues, we face a reduction in the number of sites to be policed in the short to medium term; however, the government's commitment to allow energy companies to build new nuclear power stations has the potential to expand our operational remit in the longer term.





Strategic Objectives

The CNPA's activities in 2015/16 were attributed to the following 4 strategic objectives:

Strategic Objective 1 Prevention and Deterrence	To prevent and deter Nuclear Industries Malicious Capabilities Planning Assumptions (NIMCA)-defined threats to nuclear sites and escorted materials.
Strategic Objective 2 Capability to Respond	To develop and maintain our capability to respond to NIMCA-defined threats to nuclear sites and escorted materials.
Strategic Objective 3 Efficiency and Effectiveness	To optimise the efficiency and effectiveness with which we deliver our services and earn the confidence of our stakeholders.
Strategic Objective 4 Sufficient, Capable, Motivated People	To recruit, train and deploy sufficient, capable and motivated people to the right locations at the right time.

Each strategic objective is supported by up to five strategic priorities. Performance against these priorities is managed by the Executive Team and reported to the CNPA Board.

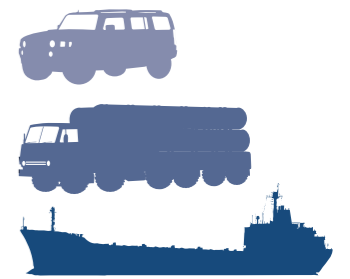
Principal Risks and Uncertainties

The identification, evaluation, management and monitoring of the most significant risks that face the CNPA and could threaten the achievement of our strategic objectives are the responsibility of the CNPA Board.

The principal risks and uncertainties facing the CNPA are as follows:

FAILURE TO DEFEAT A TERRORIST ATTACK	
Risk	Mitigation
CNC lacks the capability and capacity to defeat a terrorist attack leading to the theft of nuclear material or a radiological release and consequent injury and loss of life to members of the public and financial loss to the nuclear industry.	Increasing number of armed officers deployed to licensed nuclear sites
	Improving capability through specialist recovery and rifle teams
	Better equipment and improving training and tactics
	Increasing numbers of officers qualified as operational firearms commanders
	Improving response and deployment through investment in Information Technology
	Rigorous exercising programme to test and continually improve command and control

Key Stats



Over
70
in our Strategic
Escort Group

Key Stats



8

Ballistically Protected Vehicles

FAILURE OF TRANSFORMATION PROGRAMMES	
Risk	Mitigation
CNC fails to transform its front line operations and provide appropriate resources and capabilities to the front line and comply with government expectations and transform its back and mid office functions to support the operational front line.	Managing high value and high risk programmes and projects using recognised project and programme management methods
	Monthly reporting to project and programme boards and the Executive Team
	Applying assurance mechanisms to high value and high risk projects and programmes (e.g. Gateway Reviews)
	Periodic review of resources, tied to quarterly planning and forecasting

LOSS OF STAKEHOLDER CONFIDENCE	
Risk	Mitigation
Regulatory or operational failures (e.g. loss of firearms licence, failed exercises) or failures with our transformation programmes leads to a loss of reputation, increased government scrutiny and reduced investment from site operators that reduces our operational effectiveness and ability to defeat a terrorist attack.	Developing stakeholder engagement strategies
	Successful delivery of operations transformation and business transformation programmes
	Complying with all government spending controls and approval mechanisms
	Implementing CNC's communications strategy and holding employee engagement forums

FAILURE IN EMPLOYER'S DUTY OF CARE	
Risk	Mitigation
CNC fails in its duty of care responsibilities, causing death or serious injury.	Implementation of the health, welfare and fitness policy
	Compliance with working time directive, Health and Safety Executive safe system of work, CNC driving policy
	Sufficient and appropriate occupational health provision
	Delivery of annual health and safety plan and programme of health and safety audits

FAILURE TO MATCH STRATEGIC DEMANDS WITH AVAILABLE RESOURCES	
Risk	Mitigation
Mismatch between strategic demands and available resources leads to a shortfall in resources required (people and money) and resources available (people and money).	Board input and challenge to strategy and budget
	Realistic budgets and delivery plans reviewed quarterly
	Balancing workloads through strict prioritisation to match scarce resources to business needs
	Executive Team sponsorship of strategic initiatives with projects and programmes headed by executive level senior responsible owners
	Governance processes in place for each major strategic initiative, programme and project
	Management and operational structures reviewed to ensure they remain appropriate to support delivery of the strategic priorities





INABILITY TO TRANSITION TO MODERN WORKFORCE	
Risk	Mitigation
CNC is unable to transition to a modern workforce and reduces its operational effectiveness and/or increases its costs.	Deliver pensions work stream of people programme
	Fitness programmes, secure funding for capability payments, recruit replacement officers
	Review appropriateness of 100% AFO force

FAILURE TO PROTECT OUR CRITICAL ASSETS (INCLUDING OUR CRITICAL INFORMATION ASSETS)	
Risk	Mitigation
CNC fails to protect its critical assets including confidential or personal data leading to potential damage to its reputation and opening the organisation up to potential litigation and regulatory fines.	Achieve Information Asset Management Maturity level 3
	Implement CESG-recommended cyber security controls
	Upgrade network and move to the Public Services Network
	Comply with CNC IT security policy and procedures

POOR RELATIONS WITH OUR SPONSORING DEPARTMENT	
Risk	Mitigation
Increased scrutiny leading to increased costs and delays impacting on CNC's ability to deliver the strategic priorities to time and cost.	Compliance with DECC/CNC Framework Document in dealings with our sponsoring department
	Sign a memorandum of understanding to codify our dealings with our sponsoring department
	Implementation of communications strategy
	Develop and implement stakeholder handling strategies

WITHDRAWAL FROM DECOMMISSIONED SITES	
Uncertainty	Mitigation
Uncertainty over dates of withdrawal of officers at decommissioned sites causes conflicts in balancing our statutory obligations to provide an armed response at sites with an efficient model of officer deployment and relocation.	Regularly reviewing decommissioning timescales with Site License Companies, Nuclear Decommissioning Authority, our sponsoring team and the regulator
	Regular peer review on planned withdrawal dates
	Regularly re-running our workforce planning model to assess the impact of changes to withdrawal dates
	Scenario planning and identifying options for absorbing reductions in officer numbers

Key Stats



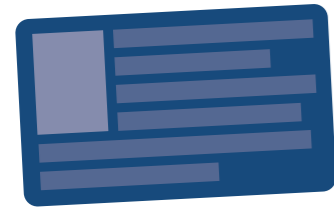
8
Different Weapons Systems

Adoption of Going Concern Basis

The CNPA Board has approved a revenue expenditure budget of £103.7m and a capital expenditure budget of £2.8m for 2016/17. SLC agreement has been secured to fund this expenditure. The CNPA Board believe that the CNPA has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the CNPA Board continues to adopt the going concern basis in preparing the financial statements.

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Key Stats



1 full
firearms licence
granted for
4
years

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Performance Analysis

Key Performance Indicators

Performance against key deliverables contained in CNPA's strategy and business plan 2015-18 is provided below. A number of activities are deliverable over 2 or 3 years. The performance rating provided below is against their 2015/16 milestones.

Strategic objective 1 is underpinned by four strategic priorities:

Prevention and Deterrence	Performance 2015/16
Maintain 24/7 armed response at civil nuclear sites	Achieved
Provide armed escort for movements of nuclear materials	Achieved
Complete uplift programme and increase deployment levels	Achieved
Maintain and sustain deployment levels of firearms officers	Achieved

Strategic objective 2 is underpinned by four strategic priorities:

Capability to Respond	Performance 2015/16
Develop integrated policies/doctrines supported by strong assurance mechanisms	Largely achieved
Increase operational capability levels through training and exercising programmes	Largely achieved
Implement effective command and control systems across CNC	Delayed to 2016/17
Provide recovery capabilities	Partly achieved

Strategic objective 3 is underpinned by five strategic priorities:

Efficiency and Effectiveness	Performance 2015/16
Effective delivery of business support services	Achieved
Transform business efficiency	Largely achieved
Modernise and improve ICT infrastructure and improve its security	Largely achieved
Build internal collaboration and partnership working across CNC	Largely achieved
Increase external stakeholder confidence and work effectively in partnership with site operators, national and local constabularies and CNC's sponsoring department	Partly achieved

Strategic objective 4 is underpinned by four strategic priorities:

Sufficient, Capable, Motivated People	Performance 2015/16
Establish an integrated approach to recruitment, training and organisational development	Partly achieved
Implement new terms and conditions of employment, pension provision and talent and performance management	Partly achieved
Implement fitness standards	On target
Develop our leaders and managers	On target

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Key Stats



Budget of
£100
Million

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Financial Overview

The CNPA has reported an operating surplus of £349,000 for the year ended 31 March 2016. This is due to the following:

- The CNPA has released £479,000 from a provision set up to settle claims following judgements that found against it at an employment tribunal; and
- The balance on the surplus of £130,000 is due to unwinding the discount on future payments for early departure costs and changes to the provision for early departure costs, due to changes in forecast rates for the Consumer Prices Index that underpin future pension payments for employees who have received voluntary early retirement from sites that the CNC no longer police.

Operating Costs

The CNPA is expected to recover its operating costs in full each year. Income of £100,466,000 (2014/15: £93,367,000) for the year ended 31 March 2016 represents a re-charge of running costs to SLCs of £99,934,000 (2014/15: £92,633,000) and miscellaneous income of £532,000 (2014/15: £734,000). Miscellaneous income included recharging secondment costs, providing policing services to non-SLCs and communications support for the unescorted transport of nuclear materials throughout the UK.

Expenditure for the year ended 31 March 2016 was £100,117,000 (2014/15: £94,035,000). The increase in expenditure was due largely to increased staff costs of £4,590,000 to £75,890,000. The increase was due to recruitment of increased numbers of officers deployed to licensed nuclear sites and staff employed at corporate departments. Other expenditure increased by £1,492,000 to £24,227,000. This increase included managed and shared services and professional services and was driven by expenditure for projects to migrate to a shared services provider for finance, HR and low value procurement transactions processing and modernisation of its IT infrastructure.

Interest receivable of £14,000 (2014/15: £16,000) was earned on cash balances held by the CNPA. This was matched by interest payable of the same amount, as the CNPA is not permitted to retain any interest earned but required either to remit it back to DECC to be surrendered to the Consolidated Fund, or offset it against requests for capital funding from DECC.

Financial Position

The carrying value of property, plant and equipment at 31 March 2016 was £7,987,000 (31 March 2015: £6,348,000). Asset additions and transfers of assets under construction amounted to £3,344,000 and comprised £498,000 for 5 vehicles, £401,000 on plant and machinery, operational and firearms training equipment and £390,000 on IT equipment. Payments on account and assets under construction of £1,975,000 include expenditure on 15 vehicles. Furniture and fittings of £86,000 made up the balance of asset purchases. Depreciation of £1,693,000 was charged to the Statement of Comprehensive Net Expenditure.

The carrying value of intangible assets was £872,000 at 31 March 2016 (31 March 2015: £624,000). Intangible asset additions and transfers from assets under construction of £501,000 comprised the purchase of information technology integral to IT applications. Amortisation of £253,000 was charged to the Statement of Comprehensive Net Expenditure.

Trade and other receivables due after one year amounted to £490,000 (31 March 2015: £739,000). These balances represent amounts owed by the CNPA's pension scheme for staff who retired early and housing loans to staff. The CNPA pays the lump sums to staff who are granted early retirement. These amounts are reimbursed to the CNPA by the pension scheme when the employees reach normal retiring age. Inventories at 31 March 2016 amounted to £1,628,000 (31 March 2015: £1,512,000).

Provisions for liabilities and charges decreased to £1,879,000 (31 March 2015: £2,711,000). Provisions were increased by £202,000 for new provisions and amendments to existing provisions. Payments of £560,000 were made against existing provisions and £519,000 was released to the Statement of Comprehensive Net Expenditure for unused provisions. The provision was increased by a further £45,000 due to unwinding the discount on early departure costs by 1 year.

Taxpayers' equity increased by 9% at 31 March 2016 to £15,338,000 (31 March 2015: £14,047,000). This comprised a £337,000 income and expenditure reserve movement plus a net increase in financing of £954,000.

Cash Flows

Cash generated from operations in 2015/16 was an inflow of £2,848,000 (2014/15: outflow of £3,980,000). Interest received on the CNPA's cash balances amounted to £14,000. Payments of £3,146,000 were made to purchase property, plant and equipment and £497,000 were made to acquire intangible assets. The net cash inflow from financing was £4,813,000, which comprised capital grant receipts of £3,872,000, grants from the CNPA's parent department, DECC, of £892,000 and other financing contributions of £49,000. This resulted in an overall increase in cash held in 2015/16 of £4,032,000 (2014/15: decrease of £4,827,000).



Key Stats



4

international nuclear fuel moves guarded by our Strategic Escort Group

The CNPA maintains sufficient cash balances to ensure that funds are available to meet payments as and when they fall due. It has agreed credit terms of 15 days with SLCs to improve and maintain higher cash balances to ensure it meets its financial obligations. The CNPA banks with the Royal Bank of Scotland Plc (RBS). It had an overdraft facility of £1 million during the year to mitigate the risk that, due to the timing of receipts and payments, it was unable to meet its liabilities as and when they fell due. The overdraft facility was not used during the reporting period. Surplus funds are transferred daily to an interest earning account. This interest is paid monthly to the CNPA, is treated as a receipt from an Exchequer source and is credited to Financing on the CNPA's Statement of Financial Position. The CNPA is permitted either to use interest receivable to finance additional expenditure, leading to a commensurate reduction in grant-in-aid, or to surrender it to the Consolidated Fund via DECC.

The former Department of Trade and Industry (DTI) provided working capital of £6 million on start-up, which was commuted to grant-in-aid and forms part of Taxpayers' Equity. This is used to fund timing differences between receipts from SLCs and payments to creditors.

Resources Required in 2016/17

The CNPA Board has approved a revenue expenditure budget of £1037m and a capital expenditure budget of £2.6m for 2016/17. SLC agreement has been secured to fund this expenditure.

Future Funding Requirements

Approximately 75% of CNC's annual expenditure is on staff costs. Removal of the national insurance discount for public sector employees contracting out of the State Earnings-Related Pension Scheme or State Second Pension will lead to an increase in employer national insurance costs from 1 April 2016 of approximately £2.3m per annum. Changes to public sector pensions are likely to result in higher employer pension charges from 1 April 2017. These are estimated to be £2.7m per annum from 1 April 2017.

Budget Revision Process

The CNPA's financial resources are reviewed at least each quarter by the Executive Team and the CNPA Board. The quarterly reviews provide an opportunity for the Board to revise the budget to ensure that the financial resources available to the CNC are consistent with the achievement of its strategic objectives.

Sustainability Report

The CNPA's headquarters and training school are located at the Culham Science Centre. It rents office space from the UK Atomic Energy Authority (UKAEA), which is an executive non-departmental body (NDPB) of the Department for Business, Innovation and Skills (BIS). The UKAEA does not individually meter its tenants' scope 2 greenhouse gas emissions, waste and finite resource consumption. Consumption and cost is apportioned to each tenant on the basis of the floor area it occupies rather than on usage incurred. We are unable to confirm whether any increases or decreases in consumption are due to the CNPA or to other co-located organisations.

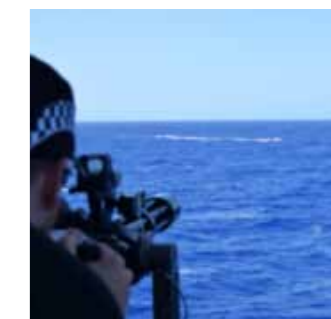
The majority of the CNPA's policing operations are undertaken on licensed nuclear sites. The CNPA is provided with accommodation and utility services at these sites, which are the responsibility of the site license company. The CNPA's environmental impact on these sites is not measured and is outside the scope of this report.

The CNPA has been granted exemptions from the Greening Government Commitment's reduction targets for delivering sustainable operations and procurement. It does not have a significant impact on biodiversity and is not required to prepare a biodiversity action plan, as all of its estate is office-based.

The following tables and commentaries provide details of the CNPA's greenhouse gas emissions, waste disposal, water, electricity and gas consumption at its Oxfordshire headquarters and training school up to 31 March 2016.

Greenhouse Gas Emissions

Greenhouse gas emissions	2011/12	2012/13	2013/14	2014/15	2015/16
Non-financial indicators					
(CO ₂ e in tonnes)					
Scope 1 emissions (Vehicle fleet)	605.50	615.00	639.84	531.98	683.88
Scope 2 emissions (Energy)	329.72	430.06	389.96	336.77	311.93
Scope 3 emissions (Official business travel)	851.74	806.34	1,231.53	1,296.29	1,120.61
Financial indicators (£000)					
Carbon Reduction Commitment gross expenditure	CNPA does not participate in this scheme				
Expenditure on accredited offsets	CNPA does not participate in this scheme				
Total expenditure on official business travel (excluding accommodation costs and subsistence)	2,191	2,314	2,250	1,974	2,314





Controllable Impacts

The CNPA's scope 1 emissions include mileage and consequent CO₂ emissions from our operational vehicle fleet, which are linked to our patrol strategy and are driven by operational need, rather than environmental impact. Scope 3 emissions include all business mileage relating to personal vehicles used for work purposes as well as hire cars, domestic flights and rail use. A key driver of business mileage is officers attending training courses. The increase in scope 3 emissions is linked to a steady increase in numbers of police officers and an increase in their training requirements. We are, however, looking to reduce our environmental impact by operating lower emission vehicles wherever possible. We aim to operate the most efficient fit-for-purpose vehicles across our operational fleet over the course of the next two years.

Influenced Impacts

The CNPA encourages its employees, through periodic awareness campaigns, to minimise travel and utilise alternatives such as videoconferencing and teleconferencing. Employees are further encouraged to use more environmentally friendly modes of transport where practicable.

Waste

Waste		2011/12	2012/13	2013/14	2014/15	2015/16
Non-financial indicators (tonnes)	Total waste	4.86	2.35	2.80	2.83	4.99
	Hazardous waste total	0.07	0.07	-	0.09	0.19
	Non-hazardous waste					
	Landfill	-	-	-	-	-
	Reused/ recycled	4.79	2.28	2.80	2.70	4.8
	Incinerated/ energy reused					Not available
Financial indicators (£000)	Total disposal cost	31	54	64	41	44
	Hazardous waste - total disposal cost	Not reported. Included in total disposal cost				
	Non-hazardous waste - total disposal cost					Nil
	Landfill					
	Reused/ recycled	Not reported. Included in total disposal cost				
	Incinerated/ energy reused					Not available

Controllable Impacts

Office moves in 2015/16 have increased CNC's total waste collection. A large proportion of this waste has been reused or recycled. The CNPA recycles waste using the UKAEA recycling scheme. This recycles office paper, newspapers, magazines, small cardboard items, drink and food cans, plastic bottles, plastic cups, domestic glass bottles/jars and take-away coffee cups.

The CNPA recycles computer equipment, furniture, office equipment, electrical items, batteries and print cartridges. All (recycled) items comply with EU waste and environmental directives and nothing is sent to landfill. The CNPA also recycles 100% of its used ammunition cartridges. Clothing and equipment is disposed of through a secure disposal route and recycled where possible.

Influenced Impacts

The CNPA does not currently have any indirect influence on waste consumption.

Water

Finite resource consumption		2011/12	2012/13	2013/14	2014/15	2015/16	
Non-financial indicators (m ³)	Water consumption	Supplied	2,023	1,705	1,748	1,311	2,252
		Abstracted	-	-	-	-	-
Financial indicators (£000)	Water supply costs		2	1.9	1.7	1.4	2.5

Water Controllable Impacts

Our main direct impacts for water consumption are office and training areas. This relates to toilets, showers and kitchen facilities that are necessary to satisfy legislative and regulatory requirements. As noted previously, the CNPA's water consumption is not metered and scope to reduce its usage is limited to employee awareness campaigns.

Influenced Impacts

The CNPA does not currently have any indirect influence on water consumption.

Electricity and Gas

Finite resource consumption		2011/12	2012/13	2013/14	2014/15	2015/16	
Non-financial indicators (kWh)	Energy consumption	Electricity - non-renewable	484,140	617,476	499,389	420,193	416,114
		Electricity - renewable	-	-	-	-	-
		Gas	412,493	578,013	680,645	633,855	509,997
		LPG	-	-	-	-	-
		Other	-	-	-	-	-
Financial indicators (£000)	Total energy expenditure		69	86	75	69	67





Controllable Impacts

Our main direct impacts for energy consumption are in office and training areas. The CNPA's energy use is not metered and, like water usage, scope to reduce consumption is limited to employee awareness campaigns. However, a mild winter has led to lower gas consumption for all tenants at the Culham Science Centre and CNPA has been apportioned a proportionate share of this lower amount.

Influenced Impacts

The CNPA does not currently have any indirect influences on electricity and gas consumption.

Mike Griffiths

Chief Executive Officer and Chief Constable

6 July 2016

Accountability Report

Corporate Governance Report

Directors' Report

CNPA Board Members and Board Members' Interests

For the purposes of this Annual Report and Accounts, the term 'directors' is interpreted to mean executive and non-executive members of the CNPA Board who have the authority or responsibility for directing or controlling the CNPA's major activities during the year. This means those who influence the decisions of the CNPA as a whole, rather than the decisions of individual directorates or departments within the organisation.

The Board Members who served during the period are listed below:

Lt Gen (Ret'd) Sir Philip Trousdell KBE CB (Non-Executive)	Chairman and Independent Member and Chairman of the Senior Appointments Committee
Mike Griffiths CBE	Chief Executive Officer and Chief Constable
Ian Abbott OBE (Non-Executive)	Industry Member and member of the Audit, Risk and Governance Committee (to 9 September 2015)
Chris Armitt QPM	Operations Director and Assistant Chief Constable (from 13 July 2015)
Stephen Barrett (Non-Executive)	Independent Member and member of the Senior Appointments Committee (to 31 March 2016)
George Beveridge (Non-Executive)	Industry Representative and member of the Senior Appointments Committee (to 31 March 2016)
Simon Chesterman QPM	Capability Director and Deputy Chief Constable
Alan Cooper	Operations Director and Assistant Chief Constable (to 6 April 2015)
Phil Craig (Non-Executive)	Industry Member (from 1 February 2016)
Paul Kernaghan CBE QPM (Non- Executive)	Independent and Police Advising Member
Kenna Kintrea (Non-Executive)	Industry Member and member of the Audit, Risk and Governance Committee (from 16 September 2015)
Kenneth Kilpatrick	Business Director
Gwen Parry-Jones OBE (Non- Executive)	Industry Member and member of the Audit, Risk and Governance Committee
Joyce Robertson	People Programme Director and Temporary Assistant Chief Constable (from 26 May 2015)
Mark Rouse (Non-Executive)	Industry Member (to 30 September 2015)
Rob Wright (Non-Executive)	Independent Member and Chairman of the Audit, Risk and Governance Committee



During 2015/16, Ian Abbott and Mark Rouse stepped down as industry non-executive board members and were replaced by Kenna Kintrea and Phil Craig. One executive board member, Alan Cooper, left the CNPA and two executive board members were appointed. Chris Armit QPM replaced Alan Cooper as Assistant Chief Constable and Operations Director, taking up his role in July 2015. Joyce Robertson was appointed as a Temporary Assistant Chief Constable to the new role of People Programme Director from May 2015.

Register of Interest

The CNPA maintains a register of interests to ensure potential conflicts of interest can be identified and addressed in advance of Board discussions. Where potential conflicts exist, they are recorded in the Board minutes, along with any appropriate action to address them. During 2015/16, one member declared a conflict of interest at the CNPA's January Board meeting and absented himself from the relevant agenda item. Outside of this exception, none of the Board Members held any interests which may have conflicted with their Board responsibilities and no Board Member had any other related party interests.

Health and Safety

Our health and safety policy and procedures comply with all relevant legislation and are reviewed as appropriate. The number of injury incidents reported during 2015/16 was 11% lower than last year. This is primarily due to active management engagement in the investigation of incidents, lessons learned, proactive management and supervision to ensure compliance with risk assessments and adherence to safe systems of work. During 2015/16, 19 incidents were reported under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) with the majority reported in the over 7 days lost time category (2014/15: 11). This is a significant increase on last year. All RIDDOR incidents have been subject to a full investigation and lessons learned process by CNC's Health and Safety team. Twelve incidents were muscular injuries and occurred during realistic dynamic training scenarios. Analysis of the remaining seven incidents has not revealed any patterns or trends having all occurred at different locations and under different circumstances.

All CNC police officers and a small number of police staff are designated as 'monitored workers' and are tested for exposure to radiation. Over 83% of our monitored workers did not receive a measurable dose during 2015/16 (2014/15: 80%). The remaining workers had an individual average radiation dose of 0.01 millisievert (mSv), which is the same average level as last year.

Security Breaches and Security Incidents

There were no security breaches involving protected personal data that were reportable to the Information Commissioners Office (ICO) in 2015/16 (2014/15: nil).

The following table summarises the number of security breaches and security incidents since 2011/12.

Nature of incident	2011/12	2012/13	2013/14	2014/15	2015/16
Loss of assets; electronic equipment; and devices or paper documents from secured CNC premises	-	1	-	-	-
Loss or theft of protectively marked electronic equipment, devices or paper documents from outside secured CNC premises	4	-	2	1	5
Insecure disposal of inadequately protected electronic equipment, devices or paper documents	-	-	-	-	-
Unauthorised disclosure through insecure transmission of protectively marked documents	3	4	2	5	6
Compromise of personal data	-	-	1	-	-
Other 'low level' breaches/incidents	27	20	32	7	10
Total	34	25	37	13	21

All security breaches involving assets or Sensitive Nuclear Information, Government Security Classification 'Official Sensitive' and above were reported to the appropriate regulatory body: DECC, ONR(CNS), the National Police Information Risk Management Team and the Communications Electronics Security Group, the information security arm of the Government Communications Headquarters.

Accounts Direction

An Accounts Direction has been provided by the Secretary of State for Energy and Climate Change, with the approval of HM Treasury, and in accordance with Schedule 10 of the Energy Act 2004.

Financial Risk Management

Information on the CNPA's financial risk management objectives and policies and its exposure to credit risk, liquidity risk and market risk is disclosed in note 8 to the financial statements.

Events After the Reporting Period

Events after the reporting period are disclosed in note 20 to the financial statements.

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Key Stats



3

Firearms ranges

.....

Payment of Suppliers

The CNPA's policy is to pay its suppliers within contracted payment terms or, without specifically agreed terms, within 30 days of receiving a valid invoice. In 2015/16, the CNPA paid 96% of its invoices on time (2014/15: 97%). The CNPA has sought to comply with central government's commitment to pay suppliers within 10 working days from receipt of a valid invoice wherever possible. For the year to 31 March 2016, the CNPA paid 86% of its invoices within 10 working days (2014/15: 87%).

Pension Arrangements

Further information on pensions is disclosed in the Remuneration Report and in notes 1.8 and 4 to the financial statements.

Auditor

The financial statements have been audited by the Comptroller and Auditor General. The cost of the statutory audit was £42,000 (2014/15: £42,000). The external auditors received no remuneration during the year for the provision of non-audit services.

Disclosure of Information to the Auditor

As Accounting Officer, as far as I am aware, there is no relevant audit information of which the CNPA's auditor is unaware; and I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the CNPA's auditor is aware of that information.

I confirm that the annual report and accounts as a whole is fair, balanced and understandable and that I take personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

Statement of Civil Nuclear Police Authority's and Accounting Officer's Responsibilities

Under the Energy Act 2004, the Secretary of State (with the consent of HM Treasury) has directed the Civil Nuclear Police Authority (CNPA) to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the CNPA and of its income and expenditure, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual (FRM) and in particular to:

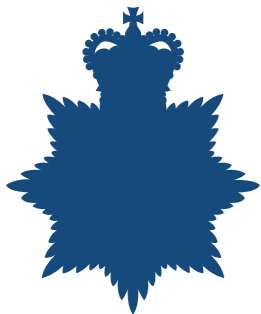
- Observe the Accounts Direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the FRM have been followed, and disclose and explain any material departures in the accounts; and
- Prepare the accounts on a going concern basis.

The Accounting Officer of the Department of Energy and Climate Change (DECC) has designated the Chief Executive Officer and Chief Constable as Accounting Officer of the CNPA. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the CNPA's assets, are set out in Managing Public Money published by HM Treasury.



Governance Statement

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Key Stats



1 Police Authority with 8 members

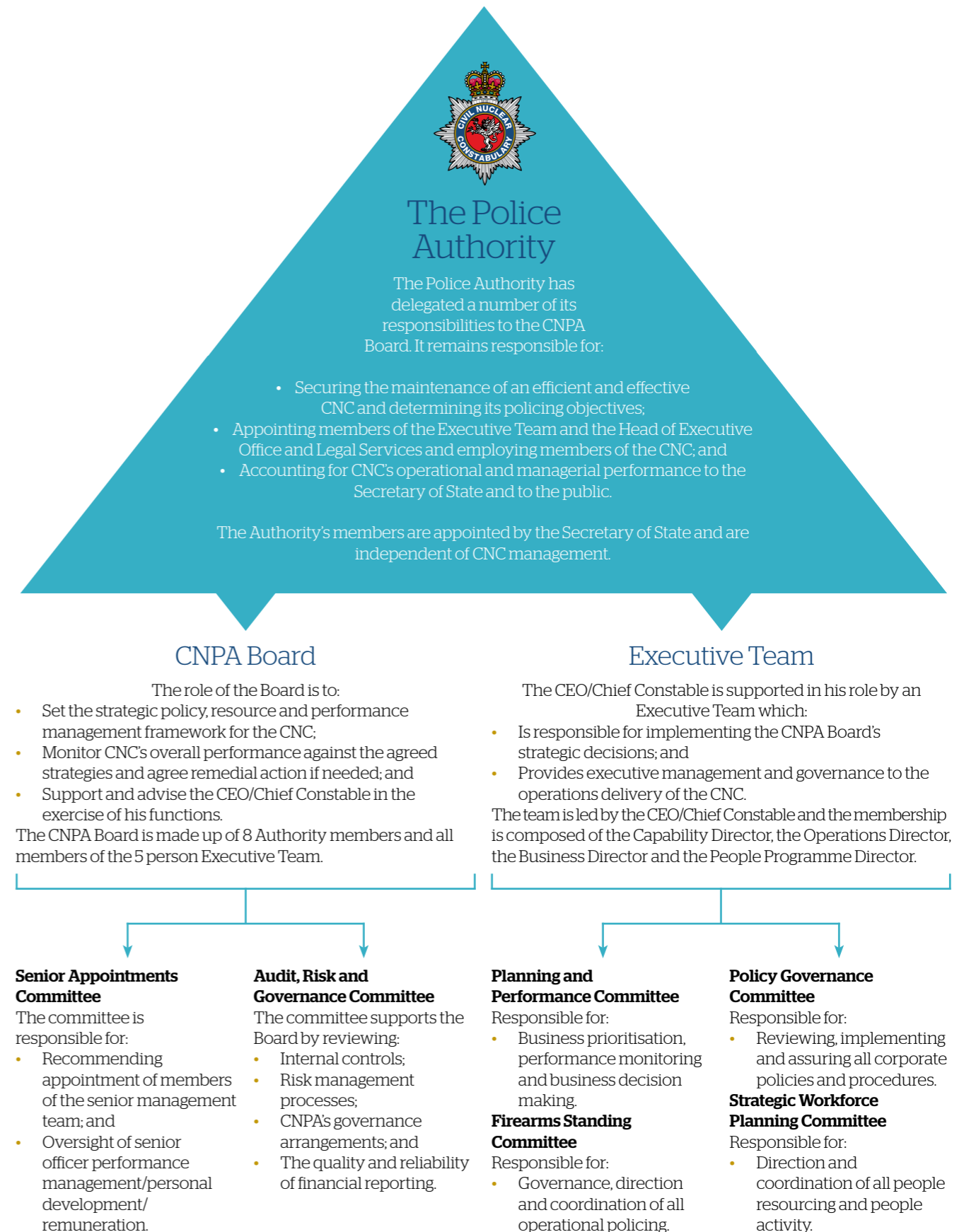
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Introduction

As Accounting Officer, and working with the Civil Nuclear Police Authority Board (CNPA), I have responsibility for maintaining effective governance and a sound system of internal control that supports the achievement of the CNPA's policies, aims and objectives, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me by the CNPA's sponsoring department, the Department of Energy and Climate Change (DECC).

The Governance Framework

The CNPA works within a Framework Document with DECC. This sets out the purpose of the CNPA, the core elements of the relationship with DECC and the framework within which the CNPA will operate. I am supported in my role as Accounting Officer by the Police Authority, the CNPA Board and its committees and an Executive Team as outlined opposite:



Key Stats



Over
140
Firearms
Instructors

The Police Authority

The role of the Police Authority is defined by the Energy Act 2004. The Authority's members are appointed by the Secretary of State and are independent from the CNC's management. The Authority's principal duty is to secure the maintenance of an efficient and effective CNC. The Authority has oversight of the CNC, which it exercises through the CNPA Board. It appoints members of the senior management team and employs its officers and staff. A number of its functions have been delegated to the CNPA Board.

The Authority met five times in 2015/16. It considered and endorsed the recommendations of the Senior Appointments Committee in relation to executive remuneration and delivery of personal objectives. It considered and endorsed appraisal reports for the Executive Team for 2014/15 and their objectives set for 2015/16. It approved the 2015/16 cost of living pay award for the Executive Team in line with the recommendations of the Government's Review Body on Senior Salaries and with HM Treasury guidelines. The Authority reserved the right to review the award on an annual basis moving forward. It considered and approved the adoption of PNB Circular 05/01, which makes provision for Chief Officers to exercise the discretion to extend sick pay entitlements to resolve challenging or difficult sickness cases.

The CNPA Board

The Board is a committee of the CNPA and is composed of 8 Authority members and 5 members of the Executive Team. It challenges and supports the Executive Team and scrutinises its proposals and performance, particularly in relation to the development of the three-year strategy and business plan; delivery of the approved annual plan and budget; including performance against output metrics; and the annual report on the CNPA's activities. In addition, the CNPA Board takes an overview of corporate risk and works with the Executive Team to agree the organisation's risk appetite.

The CNPA Chairman is responsible for leading the Board and ensuring that it is effective in discharging its role. He is supported by independent non-executives and non-executives drawn from senior roles within the nuclear industry, all of whom are chosen to ensure an appropriate mix of skills and experience to inform the strategic thinking of the CNPA. The Board met seven times in 2015/16.

Audit, Risk and Governance Committee

The Audit, Risk and Governance Committee (ARGC) is chaired by an independent non-executive Board member. The Committee met five times in 2015/16. Committee members came together as a scrutiny panel to review the draft annual report and accounts in accordance with governance best practice. It is the primary reporting point for internal audit.

Senior Appointments Committee

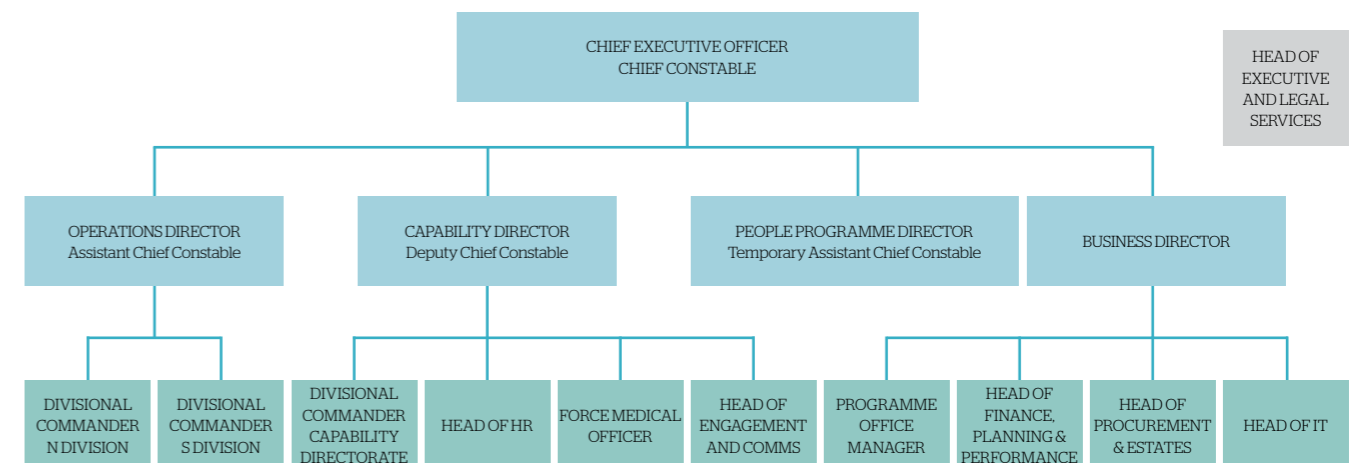
The Senior Appointments Committee (SAC) held four meetings in 2015/16. The SAC oversaw senior leadership, development and succession planning with the recommendation of an appointment to Operations Director/Assistant Chief Constable and a newly created fixed term executive appointment of a programme director to oversee the CNPA's People Programme. It considered a high level review of an executive recruitment process that would be used for the selection and appointment of candidates to executive level posts and would ensure, in conjunction with work being carried out through the People Programme, that succession planning was prioritised.

The SAC also reviewed executive pay awards and the mechanisms for their determination moving forward, with particular reference to the recommendations of the government's Review Body on Senior Salaries. It commissioned a further piece of work benchmarking executive pay differentials in the public sector that will be delivered in 2016/17.



The Executive Team

I am supported by an Executive Team, which meets weekly and provides executive management and governance of the operations and delivery of the CNC. During 2014/15, the Executive Team was supported by four committees: the Planning and Performance Committee, which is the key business decision-making body and a forum for business prioritisation and performance monitoring; the Firearms Standing Committee, which has responsibility for the governance, direction and co-ordination of all operational policing; the Policy Governance Committee that provides a forum for reviewing and implementing all policies and procedures, and the Strategic Workforce Planning Committee that focuses on the CNC's workforce planning policy and procedures. The Executive Team is supported by senior operational and non-operational managers. An organisation chart is provided below.



Note
Head of Executive Office and Legal Services reports to the CNPA Chairman

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Key Stats



15
people trained
in-house to
become
nationally
accredited
firearms
instructors

.....

CNPA Board Activities in 2015-16

The Board held a strategic conference in November 2015. Officials from the CNPAs sponsoring department, DECC, gave an update on the Home Office-sponsored review of policing the national infrastructure. The CNPA Board agreed that business continues as usual until the outcomes of the review are known. The meeting also considered work being undertaken by the Constabulary to modernise police officer pay and terms and conditions of employment.

Evaluation of Board Performance

The Board reviews its performance annually with the support of its internal auditors, RSM. The results of the evaluation will be presented to and reviewed by the Board in July 2016.

Compliance with the Corporate Governance Code

The CNPA has complied with the Code of Good Practice for corporate governance in central government in so far as it is relevant and practical for an Arm's Length Body of its size and complexity. I can confirm that the CNPA is compliant with the MacPherson recommendations for quality assuring analytical models and that I have not received any Accounting Officer directions in 2015/16.

Attendance at Police Authority, Board and Committee Meetings in 2015/16

Members Non-Executive (NE)	Police Authority (5 in year)	CNPA Board (7 in year)	Audit, Risk and Governance Committee (6 in year)	Senior Appointments Committee (4 in year)
Sir Philip Trousdell (Chairman) (NE)	5	7	¹	4
Mike Griffiths (CEO/ Chief Constable)	¹	7	²	²
Ian Abbott (NE) ³	2 (of 2)	2 (of 2)	4 (of 4)	¹
Chris Armitt ⁴	¹	3 (of 6)	¹	¹
Stephen Barrett (NE)	3	4	¹	3
George Beveridge (NE)	4	6	¹	2
Simon Chesterman	¹	5	¹	¹
Alan Cooper ⁵	¹	0 (of 0)	¹	¹
Phil Craig (NE) ⁷	0 (of 0)	2 (of 2)	¹	¹
Paul Kernaghan (NE)	5	7	¹	¹
Kenna Kintrea (NE) ³	2 (of 3)	4 (of 5)	1 (of 2)	¹
Kenneth Kilpatrick	¹	7	²	¹
Gwen Parry-Jones (NE)	3	5	5	¹
Joyce Robertson ⁶	¹	7	¹	¹
Mark Rouse (NE) ⁷	2 (of 3)	2 (of 3)	¹	¹
Rob Wright (NE)	5	6	6	¹

Notes

- 1 Not members of the Committees
- 2 Not members of the Committees, but standing invitation to attend
- 3 Ian Abbott stepped down in September 2015 and was replaced by Kenna Kintrea in September 2015
- 4 Chris Armitt was appointed as an executive member of the Board in July 2015
- 5 Alan Cooper left the CNPA in April 2015
- 6 Joyce Robertson was appointed as an executive member of the Board in May 2015
- 7 Mark Rouse stepped down in September 2015 and was replaced by Phil Craig in February 2016

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Key Stats



Over
250
Police Staff
Supporting the
Front Line

.....

Risk Management and Control

Risk Management

The CNPA has a principal risk register that includes all strategic risks (risks to the achievement of the strategy and business plan) but also includes other significant risks (programme, project or operational) that should be brought to the attention of the Executive Team, ARGC and the CNPA Board. The principal risks and uncertainties facing the CNPA are presented in the Performance Report section of this annual report and accounts.

The nature and status of key corporate risks are reported to ARGC along with mitigating actions being taken. Specific challenges in 2015/16 have been on maintaining the completeness of the corporate risk register and the process for identifying new potential risks at an early stage. This has led to biannual risk workshops involving both executive and non-executive Board members; horizon scanning and identifying potential risks to ARGC and the Board; and a review against Board minutes so that the issues and uncertainties attracting Board interest are captured on the principal risk register.

Risk Management Assurance

The CNPA's Internal Auditors, RSM, undertook an audit of risk management including an assurance stocktake to check whether the CNPA was assessing risk and assuring itself that risk was being adequately managed. This followed up recommendations made in 2014/15 and RSM confirmed that CNPA was making reasonable progress in implementing agreed management actions.

ARGC challenges the Executive Team to provide the assurance it needs over risk management and, during 2015/16, requested focussed reviews of 4 of CNPA's principal risks. The reviews focused on whether the underlying risk causes remained valid; the appropriateness of both existing controls and mitigations and new controls and mitigations and their impact on risk scores; and whether sufficient progress was being made to mitigate the principal risk. The results concluded have broadly supported the information presented in the principal risk register and concluded that the risk, its management and the assurances over the controls and mitigations were appropriate. However, a lack of assurance to support the controls and mitigations over the risks of failure of the CNPA's transformation programmes and projects was identified, which prompted management action to apply the controls consistently and in full across all programmes and projects.

Risk Appetite

Risk appetite is defined as the level of risk that the CNPA is willing to face to achieve its objectives, whilst continuing to provide the required level of assurance to stakeholders that assets are safeguarded. The CNPA has a low risk appetite, which demonstrates clearly to stakeholders that the CNPA will not expose them to unnecessary risk. The only element that will stop the continued pursuit for risk mitigation to tolerable levels is the availability of resources that may be required to achieve the desired level of risk control.

Statement of Information Risk

The CNPA must maintain the confidentiality, integrity and availability of its information to operate effectively, efficiently and securely. The CNPA is required to comply with the Cabinet Office and the Office for Nuclear Regulation's (ONR) Security Policy Frameworks for information security. ONR's framework follows broadly that of the Cabinet Office, but sets standards for the protection of sensitive nuclear information that are necessary to protect licensed nuclear sites and material in transit. We are also seeking to protect ourselves against cyber attacks and are applying CESG's *10 Steps to Cyber Security*. This is being implemented through CNPA's IT modernisation programme, with implementation to be completed in 2016/17.

I am responsible for ensuring that information risks are assessed and mitigated to an acceptable level. I am supported in the discharge of this responsibility by the Board level Senior Information Risk Owner, the IT and Security departments and a network of Information Asset Owners who cover all the information assets held.

Personal Data-Related Incidents

There were no protected personal data-related incidents reportable to the Information Commissioner's Office in 2015/16.

Audit, Risk and Governance Committee's Reports on CNPA's Systems of Governance, Risk Management and Internal Control

ARGC considered the findings contained in reports prepared by the CNPA's Internal Auditors, RSM (formerly Baker Tilly), based on an audit plan agreed in advance by the Committee. These reports covered the following governance, risk management and internal control issues:

- Business Continuity (and follow-up reports)
- Business Transformation Programme
- Data Protection and Handling of Personal Data
- Risk Management and Assurance
- Estates Management and Health and Safety
- Operational Improvement Programme
- Core Accounting Systems
- Governance Follow-Up





RSM undertook a review of the CNPA's business continuity and emergency planning. This identified weaknesses within the governance processes surrounding business continuity and emergency planning, including the completeness and testing of plans. Whilst a follow-up progress review found that only little progress had been made in implementing the agreed recommendations, a second progress report, undertaken towards the end of the financial year, found that good progress had been made in implementing the actions recommended in RSM's initial report.

In five of the reviews, ARGC was able to take reasonable or substantial assurance that the internal controls tested were suitably designed, consistently applied and effective. ARGC was able to take only partial assurance on the internal controls' design, application and effectiveness for the following two reviews:

<p>Estates Management and Health and Safety To examine the arrangements for effective management of the estate in relation to health and safety arrangements, leases and licences and capital/ asset spending controls.</p>	<p>No memorandum of understanding setting out responsibilities between nuclear operating companies and CNC for health and safety compliance and maintenance of accommodation provided to CNC by the nuclear operating companies.</p>
	<p>Lack of effective governance to assess both work in progress and business as usual and to provide assurance to the Board and wider stakeholders.</p>
<p>Business Transformation Programme To ensure that appropriate project management arrangements are maintained for CNPA's headquarters reorganisation, shared services and IT modernisation projects to enable benefits to be realised.</p>	<p>Changes to shared services project were not consolidated into an updated business case and project plan.</p>
	<p>IT modernisation project plan not kept fully up to date.</p> <p>Risk registers for shared services and IT modernisation projects not kept up to date and little evidence of formal review of risks at project board meetings.</p>

Action plans are in place to address weaknesses in internal controls that have been identified. None of them has a material bearing on the overall governance or financial strength of the organisation. Internal Audit has also followed up its recommendations in its review of the Business Transformation Programme and reported that good progress had been made, with 100% of actions to address its recommendations having been completed.

In addition, RSM conducted an advisory audit on the People Programme. Whilst this did not result in a formal opinion, the audit identified a robust programme management function in place, with the programme mandate being supported by on-going project plans and an established and effective governance structure to enable and support programme delivery. RSM also conducted two project assurance reports for the CNPA's shared service centre project. Both reports achieved a clear opinion and were submitted to the project board. No issues were required to be escalated to ARGC.

ARGC annually reviews the effectiveness of the internal and external audit functions, and has expressed the view that these functions continue to operate effectively for 2015/16 in the provision of assurance on CNPA standards of governance, risk management and internal control.

The Committee also undertakes an annual self-assessment applying the National Audit Office (NAO) checklist of good practice. The results of the 2015/16 self-assessment demonstrate a continued high degree of compliance with good practice.

Review of Effectiveness of Systems of Governance, Risk Management and Internal Control

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of governance, risk management and internal control. My review is informed by the work of Internal Audit, ONR and the CNPA's Internal Inspections and Assurance department and the Executive Team; who have the responsibility for the development and maintenance of the governance structures and the internal control framework and comments made by the CNPA's external auditors, the National Audit Office, in their management letter. The Governance Statement represents the end product of the review of the effectiveness of the governance framework, risk management and internal control.

Internal Audit

The CNPA's Internal Auditor, RSM, has concluded that the CNPA has adequate and effective governance, risk and control arrangements. RSM has arrived at this opinion through:

- Risk-based audit needs analysis from which activity has been prioritised over a three-year planning horizon to design an internal audit strategy;
- Designing and applying a risk-based methodology that is consistent with the requirements of the Public Sector Internal Audit Standards;
- Delivery of individual assurance reports and an advisory report during the year and, where appropriate, agreeing action plans with business owners to secure improvements; and
- Monitoring the implementation of previous recommendations throughout the year and assessing progress as reasonable.

Key Stats



Home Office

Working closely with Home Office forces providing front line support over

60 times

The Board keeps its governance, risk management and internal control arrangements under review in response to internal and external developments. The Board is independently advised by the Audit, Risk and Governance Committee and received assurance on the CNPA's systems of corporate governance, risk management and internal control. There were no further issues identified by Internal Audit, other than those already disclosed, that require mentioning in the Governance Statement as significant control weaknesses.

Information Security

ONR undertook an inspection of CNPA's cyber security and information assurance against the Cabinet Office's and its own SPF in the final quarter of this financial year. It provided 7 regulatory recommendations for improvement. These covered internal governance arrangements, the treatment of sensitive nuclear information, information assets and information risks and integrating information assets into the CNPA's business continuity and disaster recovery plans. A comprehensive action plan is being developed to address these recommendations during 2016/17.

Other Assurance Activities

The CNC's Internal Inspections and Assurance team undertook a programme of testing of compliance with operational policies and procedures alongside 'spot inspections' directed by the Executive Team. The Inspections team identified both areas of good practice and some areas for improvement that will be implemented in 2016/17.

Significant Internal Control Weaknesses

I am able to report that there were no significant weaknesses in the CNPA's system of internal controls in 2015/16 that affected the achievement of its key policies, aims and objectives.

Mike Griffiths

Chief Executive Officer and Chief Constable

6 July 2016

Remuneration & Staff Report

Remuneration Report

The Civil Nuclear Police Authority Board (CNPA) operates within the principles set out in the Framework Document between the CNPA and DECC with regard to Industry Members, Independent Members and the Executive Team's remuneration policies and practice, as approved by the Secretary of State. The principal implementation arrangements are set out below.

Procedures for Setting Remuneration

Remuneration for the CNPA Chairman and Independent Members' is determined by the Secretary of State with the approval of HM Treasury in accordance with the Energy Act 2004. The remuneration of the Executive Team is set by the CNPA Board, within the terms of the Framework Document, through its Senior Appointments Committee as detailed below. The Industry Members do not receive any remuneration.

Membership of the Senior Appointments Committee:

Sir Philip Trousdell (Chairman)
George Beveridge
Stephen Barrett

Statement of Remuneration Policy

The individual components of, and arrangements for, the remuneration packages are:

Fees

Independent Members are entitled to fees that are determined by DECC and are reimbursed for reasonable expenses in line with the CNPA's Travel & Subsistence policy.

Salaries and Allowances

The Executive Team receive a salary which is reviewed annually. Other allowances are included to the extent that they are subject to UK taxation.

Benefits in Kind

The CNPA Chairman and members of the Executive Team are entitled to the benefit in kind of a fully maintained car.

Pensions

The Executive Team are eligible to become members of the Combined Pension Scheme (CPS) of the UKAEA that pays an annual pension based on pensionable final earnings, together with a lump sum of three times the pension at normal retirement age. Benefits are also payable in the event of death or ill health retirement. Independent Members are not members of the CPS or any other CNPA-related scheme, while Industry Members make their own pension arrangements through their employers.

Terms of Appointment and Service Contracts

The following is a summary of the terms of appointment/service contracts for the CNPA Board.

Name	Date of continuous service	Unexpired term at 31 March 2016	Notice period
Ian Abbott ¹ Industry Member (Nuclear Decommissioning Authority)	13 July 2012	-	End of appointment 9 September 2015
Chris Armit Assistant Chief Constable	13 July 2015	4 years, 3 months	6 months
Stephen Barrett Independent Member	1 April 2010	-	End of appointment 31 March 2016
George Beveridge Industry Member (Sellafield Ltd)	3 August 2009	-	End of appointment 31 March 2016
Simon Chesterman Deputy Chief Constable	6 January 2014	2 years, 9 months	6 months
Alan Cooper ² Assistant Chief Constable	7 January 2008	-	Contract expired 6 April 2015
Phil Craig Industry Member (Dounreay Site Restoration Ltd)	4 January 2016	2 years	3 months
Mike Griffiths Chief Executive Officer and Chief Constable	1 October 2012	1 year, 6 months	6 months
Paul Kernaghan Independent and Policing Advisor Member	5 February 2013	2 years, 10 months	3 months
Kenna Kintrea Industry Member (Nuclear Decommissioning Authority)	16 September 2015	2 years	3 months
Kenneth Kilpatrick Business Director	29 September 2014	3 years, 6 months	6 months
Gwen Parry-Jones Industry Member (EDF Energy Nuclear Generation Ltd)	1 June 2014	1 year, 2 months	Not stated
Joyce Robertson ³ Temporary Assistant Chief Constable	26 May 2015	1 year, 2 months	Not stated
Mark Rouse ⁴ Industry Member (Dounreay Site Restoration Ltd)	1 April 2013	-	End of appointment 30 September 2015
Sir Philip Trousdell Chairman and Independent Member	23 May 2011	6 months	3 months
Robert Wright Independent Member	4 January 2010	2 years, 10 months	3 months

Notes

- ¹ Ian Abbott's appointment ended on 9 September 2015 and he has been succeeded by Kenna Kintrea from 16 September 2015
- ² Alan Cooper's contract ended on 6 April 2015 and he has been succeeded by Chris Armit from 13 July 2015
- ³ Joyce Robertson took up appointment as Temporary Assistant Chief Constable and People Programme Director from 26 May 2015
- ⁴ Mark Rouse's appointment ended on 30 September 2015 and he was succeeded by Phil Craig from 4 January 2016

The provision for compensation for early termination, and the CNPA's liability in the event of early termination, are not stated in the terms of appointment/service contracts. The Secretary of State has responsibility for the appointment and removal of the Chairman and both Industry Representative and Independent Board Members and approving their terms and conditions of appointment in line with provisions of the Energy Act 2004, Schedule 10.

Remuneration

The following information is subject to audit.

Remuneration payable to the CNPA Board members in 2015/16 was as follows:

Executive Team

Name	Salary and allowances £000		Benefits in kind (to nearest £100) ¹		Pension benefits (to nearest £000) ²		Total Remuneration £000	
	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15
Chris Armit Assistant Chief Constable	65-70 ³	-	5,100	-	13,000	-	80-85	-
Simon Chesterman ⁴ Deputy Chief Constable	115-120	105-110	7,200	3,300	-	-	120-125	110-115
Alan Cooper Assistant Chief Constable	35-40 ⁵	100-105	100	7,200	1,000	30,000	35-40	135-140
Mike Griffiths Chief Executive Officer and Chief Constable	135-140	130-135	7,200	7,200	28,000	32,000	170-175	170-175
Kenneth Kilpatrick Business Director	90-95	45-50	7,200	3,000	75,000	23,000	175-180 ⁷	70-75
Joyce Robertson Temporary Assistant Chief Constable	85-90 ⁶	-	-	-	145,000	-	230-235 ⁷	-

Notes

- ¹ Benefits in kind for Mike Griffiths, Simon Chesterman and Kenneth Kilpatrick comprised a fully maintained car. Chris Armit received a fully maintained car from 13 July 2015 and Alan Cooper from 1 April 2015 to 6 April 2015
- ² The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20 plus the real increase in any lump sum less the contributions made by the individual
- ³ Full year equivalent salary and allowances was £90-95k
- ⁴ Simon Chesterman is not a member of CNC's pension scheme
- ⁵ Alan Cooper's contract ended on 6 April 2015. Included in salary and allowances was payment in lieu of notice of £27,435 and severance payment of £8,129
- ⁶ Full year equivalent salary and allowances was £95-100k. Joyce Robertson's salary and allowances includes a bonus based on performance achieved in 2014/15, but payable in 2015/16. Mrs Robertson is not eligible for performance-related pay in her current chief officer role
- ⁷ Kenneth Kilpatrick's and Joyce Robertson's total remuneration increased because of changes in their pension benefits as a result of them joining the Executive Team

Pension Entitlements

The pension entitlements shown in the table below are those that would be paid annually on retirement based on service to 31 March 2016 and include the value of added years paid for by members of the CPS. The pension figures relate to the benefits that the individual has accrued as a total of their service to the CNPA, not just under their current appointment. Members of the pension scheme have the option to pay Additional Voluntary Contributions (AVC); neither the contribution nor the resulting benefits are included in the following table.

Name	Total accrued pension at age 60 at 31 March 2016 and related lump sum £000	Real increase in pension and related lump sum at age 60 £000	Cash equivalent transfer value at 31 March 2016 £000	Cash equivalent transfer value at 31 March 2015 ¹ £000	Real increase in cash equivalent transfer value £000
Executive Team					
Chris Armit	0-5 plus 0-5 lump sum	0-2.5 plus 2.5-5 lump sum	15	-	10
Alan Cooper	5-10 plus 25-30 lump sum	0-2.5 plus 0-2.5 lump sum	198	191	1
Mike Griffiths	5-10 plus 15-20 lump sum	0-2.5 plus 5-7.5 lump sum	131	91	27
Kenneth Kilpatrick	20-25 plus 65-70 lump sum	2.5-5 plus 10-12.5 lump sum	360	287	51
Joyce Robertson	40-45 plus 130-135 lump sum	5-7.5 plus 17.5-20 lump sum	1,022	875	146

Note

¹ CETVs have been restated as at 31 March 2015 due to changes in actuarial assumptions used to calculate them

² Simon Chesterman is not a member of CPS

Cash Equivalent Transfer Value

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. It is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme, or arrangement when the member leaves a scheme and chooses to transfer the pension benefits they have accrued in their former scheme.

The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total pensionable service and not just their service in a senior capacity to which disclosure applies. They may also include amounts transferred into the scheme.

The CETV figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service (CS) scheme and for which the CS Vote has received a transfer commensurate to the additional pension liabilities being assumed. They also include additional pension benefit accrued to the

member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real Increase in CETV

The real increase in CETV reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Independent and Industry Members

Name	Fees £000		Benefits in kind (to nearest £100)		Total £000	
	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15
Ian Abbott Industry Member (Nuclear Decommissioning Authority)	-	-	-	-	-	-
Stephen Barrett Independent Member	15-20	15-20	-	-	15-20	15-20
George Beveridge Industry Member (Sellafield Ltd)	-	-	-	-	-	-
Phil Craig Industry Member (Downreay Site Restoration Ltd)	-	-	-	-	-	-
Paul Kernaghan Independent and Policing Advisor Member	15-20	15-20	-	-	15-20	15-20
Kenna Kintrea Industry Member (Nuclear Decommissioning Authority)	-	-	-	-	-	-
Gwen Parry-Jones Industry Member (EDF Energy Nuclear Generation Ltd)	-	-	-	-	-	-
Mark Rouse Industry Member (Downreay Site Restoration Ltd)	-	-	-	-	-	-
Sir Philip Trousdell ¹ Chairman and Independent Member	55-60	65-70	7,200	7,200	60-65	70-75
Robert Wright Independent Member	15-20	15-20	-	-	15-20	15-20

Notes

¹ Benefits in kind for Sir Philip Trousdell comprised a fully maintained car

Staff Report

The following information is subject to audit.

The number of employees employed in senior positions at the end of the financial year was as follows:

	2015/16	2014/15
Executive 1 Grade	1	1
Executive 2 Grade	2	2
Executive 3 Grade	3	2
	6	5

Staff Costs

	Permanently employed staff 2015/16 £000	Temporary and agency staff 2015/16 £000	Total 2015/16 £000
Wages and salaries	60,598	1,543	62,141
Social security costs	5,364	152	5,516
Other pension costs	8,074	158	8,232
Agency staff	-	1	1
Sub-total	74,036	1,854	75,890
Less costs recovered in respect of outward secondments	(218)	-	(218)
Total staff costs	73,818	1,854	75,672

	Permanently employed staff 2014/15 £000	Temporary and agency staff 2014/15 £000	Total 2014/15 £000
Wages and salaries	56,464	1,520	57,984
Social security costs	5,280	147	5,427
Other pension costs	7,626	169	7,795
Agency staff	-	94	94
Sub-total	69,370	1,930	71,300
Less costs recovered in respect of outward secondments	(67)	-	(67)
Total staff costs	69,303	1,930	71,233

Average number of persons employed

The average number of full-time equivalent persons employed during the year was as follows:

	Permanently employed staff 2015/16	Temporary and agency staff 2015/16	Total 2015/16
Total average staff numbers	1,514	41	1,555

	Permanently employed staff 2014/15	Temporary and agency staff 2014/15	Total 2014/15
Total average staff numbers	1,446	38	1,484

Exit packages

	Number of compulsory packages 2015/16	Number of other departures agreed 2015/16	Total number of exit packages by cost band 2015/16
Less than £9,999	3	1	4
£10,000 - £24,999	1	-	1
£25,000 - £49,999	3	-	3
£50,000 - £74,999	3	-	3
Total number of exit packages	10	1	11

	£000	£000	£000
Total value of exit packages	340	3	343

	Number of compulsory packages 2014/15	Number of other departures agreed 2014/15	Total number of exit packages by cost band 2014/15
Less than £9,999	-	1	1
£10,000 - £24,999	-	1	1
£25,000 - £49,999	1	-	1
£100,000 - £149,999	-	5	5
Total number of exit packages	1	7	8

	£000	£000	£000
Total value of exit packages	43	694	737

Redundancy and other departure costs have been paid in accordance with the provisions of the CNPA's terms and conditions. Exit costs are accounted for in full in the year of departure. Where the CNPA has agreed early retirements, the additional costs are met by it and not by the CPS of the UKAEA. Ill-health retirement costs are met by the pension scheme and are not included in the above table.

Salary Multiples

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the CNPA's highest-paid director, who was the Chief Executive Officer/Chief Constable, in the financial year 2015/16 was £140,000-£145,000 (2014/15: £140,000-£145,000). This was 4.1 times the median remuneration of the CNPA's employees (2014/15: 4.3 times), which was £34,350 (2014/15: £32,483). Median remuneration increased by approximately 6% between 2014/15 and 2015/16. The average salary cost per employee rose in 2015/16 due to the increase in new fixed term appointments employed at the higher end of the salary scale and police officers as well as civilian staff receiving a 1% pay award from September 2015. Higher overtime costs, incurred in providing additional capacity at operational sites, increased the average salary cost.

In 2015/16, nil employees received remuneration in excess of the highest paid director (2014/15: nil). Remuneration, excluding that of the highest-paid director, ranged from £16,763 to £135,252 (2014/15: £16,218 to £127,000).

Total remuneration includes salary, non-consolidated performance-related pay as well as benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

Expenditure on Consultancy

	2015/16 £000	2014/15 £000
Consultants	23	150

The decrease in consultancy costs is due to a reduction in consultancy provided for human resources and project implementation.

Off-payroll Engagements

The CNPA applies tax assurance measures in respect of public sector employees. The CNPA uses a risk-based approach to tax assurance, with measures including:

- Tax letter of comfort;
- HMRC employment status indicator assessment;
- Specialist tax advice;
- Confirmation from contract provider on employment status; and
- Completion of detailed DECC working practices questionnaire.

The table below provides data on off-payroll engagements.

	2015/16	2014/15
Number of engagements as at 31 March	2	2
Number of which existed:		
For less than one year at time of reporting	-	1
Between one and two years at time of reporting	1	1
Between two and three years at time of reporting	1	-

Gender Breakdown and Gender Diversity

At the end of the financial year, the CNPA Board was composed of 4 male and 1 female executive members and 6 male and 2 female non-executive members. Of the 8 heads of department and divisional commanders' roles, 6 were occupied by males and 2 by females. The CNPA had 1,274 male (2014/15: 1,253) and 318 female (2014/15: 300) employees at the end of the financial year.

Employees

The CNPA provides equal opportunity for employment, training, career development and promotion regardless of sex; age; race; religion; and ethnic origin or sexual orientation. The CNPA welcomes applications from candidates with disabilities and considers applications on a case by case basis. Police officer applicants must be able to undertake the normal activities required of a police officer, and the CNPA will fairly consider whether reasonable adjustments can be made in the workplace to accommodate applicants' disabilities. The CNPA will make appropriate arrangements to provide reasonable adjustments should employees become disabled during the course of their employment.

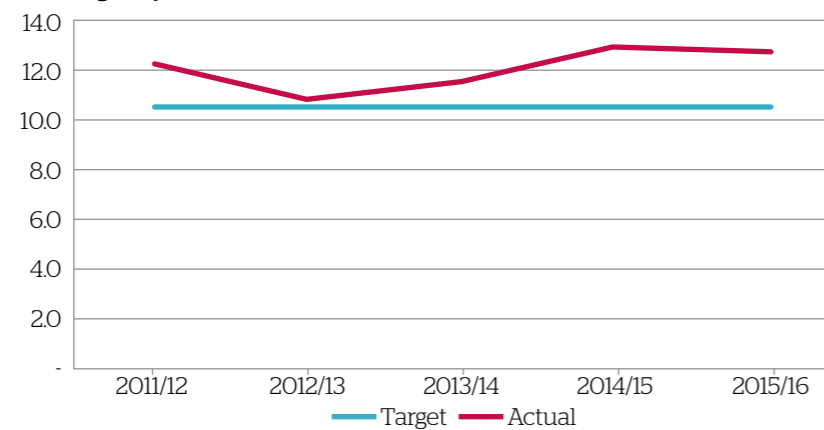
Day-to-day communication with staff takes place via electronic media and team briefings. Employees are kept up-to-date with the CNC's progress via emailed messages, internal posters, briefings, and a series of newsletters. Formal updates are also issued in the form of Constabulary Orders and operational and security briefings. The Chief Constable provides regular briefings to HQ-based officers and staff. These are recorded and circulated to all employees at all CNC locations. Engagement groups at HQ and operational divisions provide forums for employee consultation and feedback, with this feedback delivered directly to the Chief Constable.

Further investment in employee communications is planned with the launch of a new intranet in the second half of 2016/17. This will enable us to have more effective two way communications and engagement with all of our employees.

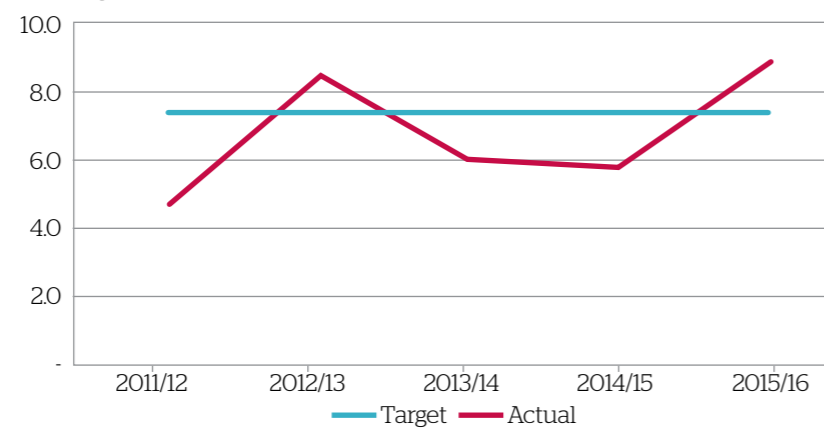
Sickness Absences

The CNPA is committed to the physical and mental health and wellbeing of all its officers and staff and has a comprehensive sickness management policy. Its occupational health provision extends across all of its locations. Police officer sickness absence rates have marginally improved this year to 12.8 days per officer, but remain above their target of 10.5 days. Police staff sickness rates have worsened during the last 12 months, primarily due to long-term sickness absence cases, rising to 8.8 days per police staff member above the target of 7.5 days.

Police officer sickness absence rates have improved but remain above target levels
Average days



Police staff sickness absence rates have worsened and are above target levels
Average days



The following actions have been implemented or are due to be implemented in 2016/17 to address police officer and police staff sickness absence.

- Fitness champions have been identified at all sites and trained to support the health and wellbeing advisors in aiding employee medical and physical fitness, including supporting muscular skeletal injuries, and speeding up the recuperative period;
- The expansion and development of the internal CNC occupational health team and improved communications between them and the health, wellbeing and fitness advisors to improve coordination of case management;
- Increased funding to help recovery and reduce length of sickness absence, such as a rapid access physiotherapy trial scheduled for 2016/17; and
- Development of service level agreements with on-site occupational health providers to ensure consistency in occupational health provision and working towards newly agreed performance indicators.

Mike Griffiths
Chief Executive Officer and Chief Constable

6 July 2016

Parliamentary Accountability and Audit Report

The following information is subject to audit.

Regularity of Expenditure

Losses and Special Payments

There are no reportable losses or special payments for the year ended 31 March 2016.

Fees and Charges

CNPA recharges its operating expenditure from Site Licence Companies under Section 60 of the Energy Act 2004.

Remote Contingent Liabilities

There are no remote contingent liabilities.

Long-term Expenditure Trends

This information is provided in the Financial Overview contained in the Performance Report.

Mike Griffiths

Chief Executive Officer and Chief Constable

6 July 2016

The Audit Report of the Comptroller and Auditor General to The Houses of Parliament

I have audited the financial statements of Civil Nuclear Police Authority for the year ended 31 March 2016 under the Energy Act 2004. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration and Staff Report and Parliamentary Accountability Report that is described in that report as having been audited.

Respective responsibilities of the Board, Accounting Officer and auditor
As explained more fully in the Statement of Civil Nuclear Police Authority's and Accounting Officer's Responsibilities, the Board and the Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit and express an opinion on the financial statements in accordance with the Energy Act 2004. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Civil Nuclear Police Authority's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by Civil Nuclear Police Authority; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on regularity

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of Civil Nuclear Police Authority's affairs as at 31 March 2016 and of net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Energy Act 2004 and Secretary of State directions issued thereunder.

Opinion on other matters

In my opinion:

- the parts of the Remuneration and Staff Report and Parliamentary Accountability Report to be audited have been properly prepared in accordance with Secretary of State directions made under the Energy Act; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Remuneration and Staff Report and Parliamentary Accountability Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

I have no observations to make on these financial statements.

Sir Amyas C E Morse
Comptroller and Auditor General

11 July 2016

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Financial Statements 2015/16

Statement of Comprehensive Net Expenditure

For the year to 31 March 2016

	Notes	2015/16 £000	2014/15 £000
Income	3	100,466	93,367
Expenditure			
Staff costs	5	(75,890)	(71,300)
Other expenditure	5	(24,227)	(22,735)
Operating surplus/(deficit)		349	(668)
Loss on disposal of property, plant and equipment		(12)	(9)
Surplus/(deficit) on ordinary activities before financing costs		337	(677)
Financial income - interest receivable		14	16
Financial expense - interest payable		(14)	(16)
Net financing costs		-	-
Total comprehensive income/(expenditure) for the year		337	(677)

All operations are continuing.

The notes on pages 59 to 83 form part of these financial statements.

Statement of Financial Position

As at 31 March 2016

	Note	2015/16 £000	2014/15 £000
Non-current assets			
Property, plant and equipment	6	7,987	6,348
Intangible assets	7	872	624
Trade and other receivables	10	490	739
Total non-current assets		9,349	7,711
Current assets			
Inventories	9	1,628	1,512
Trade and other receivables	10	12,503	13,551
Cash and cash equivalents	11	8,808	4,776
Total current assets		22,939	19,839
Total assets		32,288	27,550
Current liabilities			
Trade and other payables	12	(10,812)	(8,509)
Provisions	13	(367)	(982)
Total current liabilities		(11,179)	(9,491)
Non-current assets plus net current assets		21,109	18,059
Non-current liabilities			
Trade and other payables	12	(4,259)	(2,283)
Provisions	13	(1,512)	(1,729)
Total non-current liabilities		(5,771)	(4,012)
Assets less liabilities		15,338	14,047
Taxpayers' equity			
Income and expenditure reserve	14	(5,157)	(5,494)
Financing reserve	14	20,495	19,541
		15,338	14,047

The financial statements on pages 55 to 83 were approved by the CNPA Board on 6 of July 2016 and signed on its behalf by:

Mike Griffiths
Chief Executive Officer and Chief Constable

6 July 2016

The notes on pages 59 to 83 form part of these financial statements.

Statement of Cash Flows

For the year ended 31 March 2016

	Note	2015/16 £000	2014/15 £000
Cash flows from operating activities			
Retained surplus/(deficit) for the year		337	(677)
Adjustments for:			
Loss on disposal of property, plant and equipment		12	9
Amortisation of intangible assets	7	253	277
Depreciation of property, plant and equipment	6	1,693	1,723
Release of capital grant		(1,061)	(838)
Impact of provisions	13	(272)	-
Operating cash flows before changes in working capital and provisions		962	494
Decrease/(increase) in trade and other receivables	10	1,297	(4,004)
(Increase)/decrease in inventories	9	(116)	7
Increase/(decrease) in trade and other payables	12	4,279	(395)
Use of provisions	13	(560)	(82)
Adjustment for items not passing through Statement of Comprehensive Net Expenditure		(3,014)	-
Cash generated from operations		2,848	(3,980)
Interest received		14	16
Net cash outflow from operating activities		2,862	(3,964)
Cash flows from investing activities			
Purchase of property, plant and equipment		(3,146)	(2,133)
Purchase of intangible assets		(497)	(96)
Net cash outflow from investing activities		(3,643)	(2,229)
Cash flows from financing activities			
Capital grant received		3,872	991
Grants from parent department		892	277
Other financing contributions		49	98
Net financing		4,813	1,366
Net increase/(decrease) in cash and cash equivalents in the period	11	4,032	(4,827)
Cash and cash equivalents at the beginning of the period	11	4,776	9,603
Cash and cash equivalents at the end of the period	11	8,808	4,776

The notes on pages 59 to 83 form part of these financial statements.

Statement of Changes in Taxpayers' Equity

For the year ended 31 March 2016

	Note	Income and expenditure reserve £000	Financing reserve £000	Total £000
Balance at 31 March 2014		(4,817)	19,151	14,334
Changes in taxpayers' equity 2014/15	14			
Grant-in-aid received		-	277	277
Amounts payable to DECC		-	113	113
Comprehensive expenditure for the year		(677)	-	(677)
Balance at 31 March 2015		(5,494)	19,541	14,047
Changes in taxpayers' equity 2015/16	14			
Grant-in-aid received		-	891	891
Amounts payable to DECC		-	63	63
Comprehensive income/(expenditure) for the year		337	-	337
Balance at 31 March 2016		(5,157)	20,495	15,338

The notes on pages 59 to 83 form part of these financial statements.

Notes to the Accounts

Statement of Accounting Policies

The Civil Nuclear Police Authority (CNPA) is an executive non-departmental public body (NDPB) of the Department of Energy and Climate Change (DECC) and is domiciled in the United Kingdom.

1. Statement of Compliance

These financial statements have been prepared in accordance with the 2015/16 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the CNPA for the purpose of giving a true and fair view has been selected. The particular policies adopted by the CNPA are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.1 Basis of Accounting

The financial statements are presented in pounds sterling, rounded to the nearest thousand. They have been prepared on the historical cost basis and on a going concern basis.

The preparation of financial statements in conformity with IFRS requires the Executive Team to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expense. The estimates and judgements are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are listed below:

- Asset lives for property, plant and equipment and intangible assets;
- Recoverability of receivables;
- Estimates of accrued expenses;
- Provisions; and
- Inventory obsolescence.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The CNPA has reported an operating surplus of £349,000 for the year ended 31 March 2016. This is due to incurring the following:

- The CNPA has released £479,000 from a provision set up to settle claims following judgements that found against it at an employment tribunal; and
- The balance on the surplus of £130,000 is due to unwinding the discount on future payments for early departure costs and for changes to the provision for early departure costs due to changes in forecast rates for the Consumer Prices Index; these underpin future pension payments for employees who have received voluntary early retirement from sites that CNC no longer police.

The CNPA Board has approved a revenue expenditure budget of £103.7m and a capital expenditure budget of £2.8m for 2016/17. SLC agreement has been secured to fund this expenditure. The CNPA Board believe that the CNPA has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the CNPA Board continues to adopt the going concern basis in preparing the financial statements. Further information about the CNPA's operating activities, together with the factors likely to affect its future development, performance and position, is set out in the Performance Report.

1.2 Changes in Accounting Policy and Disclosures

IFRS 13 Fair Value Measurement is the only change of relevance to standards and interpretations issued by the International Accounting Standards Board (IASB) and this has been applied from 1 April 2015. Application has not resulted in any impact to the results, financial position or disclosures.

Accounting standards issued but not yet effective

Certain new standards, amendments to standards and interpretations that have been issued by the International Accounting Standards Board (IASB) are not yet effective for the year ended 31 March 2016 and have not been applied in preparing these financial statements. These are:

- IFRS 9 *Financial Instruments*: effective for periods beginning on or after 1 January 2018;
- Amendments to IFRS 11 *Accounting for Acquisitions of Interests in Joint Operations*; effective for periods beginning on or after 1 January 2016;
- IFRS 14 *Regulatory Deferral Accounts*: effective for periods beginning on or after 1 January 2016 and applicable to first-time adopters of IFRSs;
- IFRS 15 *Revenue from Contracts with Customers*: effective for periods beginning on or after 1 January 2018;
- Amendments to IAS 1 Disclosure Initiative: effective for periods beginning on or after 1 January 2016;
- Improvements to IFRSs 2012-14 Cycle: effective for periods beginning on or after 1 January 2016; and
- Amendments to IAS 16 and IAS 38: *Clarification of Acceptable Methods of Depreciation and Amortisation*: effective for periods beginning on or after 1 January 2016.

Based on preliminary assessments, CNPA does not anticipate that the adoption of these standards and interpretations in future periods will have a material impact on its results, financial position or disclosures.

1.3 Property, Plant and Equipment

Property, plant and equipment is stated at cost, including any costs directly attributable to bringing such assets into working condition, less accumulated depreciation and net of accumulated impairment losses as a proxy for fair value. Assets are carried at value in use and in all asset classes, depreciated historical cost is used as a proxy for current valuation for assets which have a short useful economic life or low value, or both. Property, plant and equipment below £2,000 is treated as revenue expenditure and recognised in full in the year of purchase.

Depreciation is calculated so as to write off the cost or valuation of property, plant and equipment, less their estimated residual values, on a straight-line basis over the expected economic lives of the assets concerned. The principal asset categories and their expected useful economic lives are as follows:

Transport equipment	Up to 8 years
Plant and machinery	5-10 years
Furniture and fittings	5-10 years
Information Technology	Up to 5 years

Assets under construction are stated at cost and not depreciated until commissioned.

1.4 Intangible Assets

Intangible assets are stated at cost less accumulated amortisation and net of accumulated impairment losses as a proxy for fair value. The cost of intangible assets comprises the purchase cost and any directly attributable costs incidental to their acquisition. Intangible assets below £2,000 are treated as revenue expenditure and recognised in full in the year of purchase.

Amortisation of intangible assets is charged to the Statement of Comprehensive Net Expenditure on a straight-line basis when the assets are available for use so as to allocate the carrying amounts of the intangible assets over their estimated useful economic lives as follows:

Software licences	Life of licence
Information Technology	Up to 5 years

1.5 Impairment of Assets

The carrying amounts of the CNPA's non-current assets and all financial assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment.

An impairment loss is recognised when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. Recoverable amount is the higher of the net realisable value and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that

reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses are recognised in the Statement of Comprehensive Net Expenditure. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit on a pro rata basis.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.6 Income Recognition

Income is measured at the fair value of the consideration received or receivable and excludes VAT. Income is recognised in the Statement of Comprehensive Net Expenditure when the CNPA has performed its contractual obligations, the income can be measured reliably and it is probable that the economic benefits from the transaction will flow to the CNPA. No income is recognised if there are significant uncertainties regarding recovery of the consideration due.

1.7 Taxation

The CNPA is not registered for VAT. All expenditure and asset purchases are shown inclusive of VAT and VAT is not charged on its sales invoices.

The CNPA is outside the scope of Corporation Tax, being part of a government body, and is not registered for Corporation Tax.

1.8 Employee Benefits

Staff costs

Staff costs are recognised as an expense as soon as the CNPA is obligated to pay them. This includes the cost of any untaken annual leave that is carried forward to the following financial year. The CNPA recognises as an obligation the value of untaken annual leave carried forward at the end of the reporting period. The CNPA re-charges its costs to its customers and recognises a receivable equal in value to the obligation for unused annual leave.

Pension costs

Past and present employees are covered by the provision of the Combined Pension Scheme (CPS) of the United Kingdom Atomic Energy Authority (UKAEA), which is an unfunded defined benefit pension scheme which prepares its own scheme statements. The CNPA recognises the cost of providing pensions on a systematic and rational basis over the period during which it benefits from employees' service by payments to the CPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on CPS. More information is given in note 4.

1.9 Provisions and Contingent Liabilities

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, it is probable that the CNPA will be required to settle the obligation and an amount has been reliably estimated.

Provisions are measured at the best estimate of the expenditure required to settle the obligation at the end of the reporting period, and are discounted to present value where the effect is material.

Amounts are disclosed as contingent liabilities where it is probable that the CNPA will be required to settle the obligation and is unable to reliably estimate the amount, or where it is possible that the CNPA will be required to settle the obligation.

1.10 Grant-in-Aid and Capital Grants

Grant-in-aid provided by DECC is treated as financing and is credited to the financing reserve, as it is regarded as a contribution from a controlling party giving rise to a financial interest in the residual interest of the CNPA.

Capital grants for the purchase of property, plant and equipment are credited to deferred income and released to the Statement of Comprehensive Net Expenditure over the expected useful economic lives of the assets, in amounts equal to the depreciation charge.

The profit or loss on disposal of grant-financed assets is taken to the Statement of Comprehensive Net Expenditure and offset by a transfer from deferred income of the same proportion of the profit or loss that the amount of the grant bears to the original cost of the asset. The balance in deferred income in respect of the asset is transferred to the income and expenditure reserve representing the same proportion of the disposal proceeds.

1.11 Operating Leases

Rentals are charged to the Statement of Comprehensive Net Expenditure on a straight-line basis over the lease term. Any incentives to enter into operating leases are recognised as a reduction of rental expense over the lease term on a straight-line basis.

1.12 Foreign Currencies

All transactions denominated in foreign currency are translated into sterling at the exchange rate ruling on the date the transaction takes place. Monetary assets and liabilities denominated in foreign currency at the end of the reporting period are translated at the rate ruling at that date. All exchange rate differences are recognised in the Statement of Comprehensive Net Expenditure.

1.13 Inventories

Inventories comprise clothing, ammunition and ancillary items, including protective equipment. Inventories are valued at the lower of cost and net realisable value using the weighted average cost formula. As inventories are intended for use, not resale, replacement cost is used as the best measure of carrying value. Where necessary, inventory values are adjusted for obsolete, slow moving and defective items.

1.14 Financial Instruments

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, which is available for immediate withdrawal.

Trade and other receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost less any allowance for irrecoverable amounts.

Trade and other payables

Trade and other payables are measured at amortised cost, which equates to nominal value.

Financial income and financial expense

Financial income/expense are recognised in the Statement of Comprehensive Net Expenditure on an accruals basis.

1.15 Segment Reporting

Operating segments are identified on the basis of internal reports about components of the CNPA that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The CNPA has one reportable segment: Operational Policing Units (OPUs). These units provide an armed response at licensed nuclear sites. The financial performance of these units has been combined as it meets the aggregation criteria set out in IFRS 8.

2. Segment Information

The CNPA has one reportable segment: Operational Policing Units. The financial performance of all non-operating segments have been grouped under the heading Corporate Departments. This information is included to reconcile the financial performance of the operating segments.

2015/16	Operational Policing Units £000	Corporate Departments £000	Total £000
Income	100,466	-	100,466
Expenditure			
Staff costs	(59,134)	(16,756)	(75,890)
Other expenditure	(3,723)	(19,891)	(23,614)
Depreciation and amortisation	(976)	(970)	(1,946)
Release of capital grants	673	388	1,061
Movement in provisions	-	272	272
Operating surplus/(deficit)	37,306	(36,957)	349
Loss on disposal of property, plant and equipment	-	(12)	(12)
Surplus/(deficit) on ordinary activities before financing costs	37,306	(36,969)	337
Finance income - interest receivable	-	14	14
Finance charges - interest payable	-	(14)	(14)
Retained surplus/(deficit) for the year	37,306	(36,969)	337
Assets and liabilities			
Segment assets	5,101	27,187	32,288
Segment liabilities	(8,287)	(8,663)	(16,950)
Net (liabilities)/ assets	(3,186)	18,524	15,338
Taxpayers' equity			
Income and expenditure reserve	(5,157)	-	(5,157)
Financing reserve	-	20,495	20,495
Taxpayers' equity	(5,157)	20,495	15,338

2014/15	Operational Policing Units £000	Corporate Departments £000	Total £000
Income	93,367	-	93,367
Expenditure			
Staff costs	(57,259)	(14,041)	(71,300)
Other expenditure	(6,930)	(14,032)	(20,962)
Depreciation and amortisation	(981)	(1,019)	(2,000)
Release of capital grants	590	248	838
Movement in provisions	-	(611)	(611)
Operating surplus/(deficit)	28,787	(29,455)	(668)
Loss on disposal of property, plant and equipment	(6)	(3)	(9)
Surplus/(deficit) on ordinary activities before financing costs	28,781	(29,458)	(677)
Finance income - interest receivable	-	16	16
Finance charges - interest payable	-	(16)	(16)
Retained surplus/(deficit) for the year	28,781	(29,458)	(677)
Assets and liabilities			
Segment assets	4,334	23,216	27,550
Segment liabilities	(5,893)	(7,610)	(13,503)
Net (liabilities)/ assets	(1,559)	15,606	14,047
Taxpayers' equity			
Income and expenditure reserve	(5,494)	-	(5,494)
Financing reserve	-	19,541	19,541
Taxpayers' equity	(5,494)	19,541	14,047

Geographical areas

All income from external customers arose wholly in the United Kingdom and all non-current assets are located in the United Kingdom.

Major customers

The CNPA is reliant on income from a small number of Site License Companies (SLCs) for a significant proportion of its income. Transactions with three SLCs (2014/15: three SLCs) each amounted to 10% or more of the CNPA's total income. This income is reported within the OPUs operating segment. A breakdown of income by major customer is provided below:

	2015/16 £000	%	2014/15 £000	%
SLC 1	35,994	36	32,170	34
SLC 2	35,505	35	32,930	35
SLC 3	13,049	13	13,107	14
Others	15,918	16	15,160	17
Total	100,466	100	93,367	100

3. Income

The CNPA is required to recover its full operating costs each year. Income of £100,466,000 for the year to 31 March 2016 (2014/15: £93,367,000) represents a re-charge of running costs to SLCs of £99,934,000 (2014/15: £92,633,000) and miscellaneous income of £532,000 (2014/15: £734,000). All activities are regarded as continuing.

4. Pension Costs

All employees of the CNPA are eligible to be members of the CPS of the UKAEA for the year ended 31 March 2016. The CPS is a contributory unfunded statutory defined benefit public service pension scheme.

The scheme is managed and administered by Aon Hewitt Limited with the approval of the Department for Business, Innovation and Skills. Contributions made to the scheme are used to meet the payment of scheme benefits. Any surplus of contributions over payments is surrendered to HM Government via the Consolidated Fund. Any deficit is met by Parliamentary Vote with payment from the Consolidated Fund. The Government does not maintain a separate fund to provide for the scheme's future liabilities and future benefits will be paid out of the Consolidated Fund to the extent that, at the time of payment, benefits exceed contributions and Parliament votes the necessary funds.

With effect from 1 April 2006, the methodology to assess the employer contributions to the CPS changed. From that date, employer contributions are set using the Superannuation Contributions Adjusted for Past Experience (SCAPE) methodology established by HM Treasury having regard to the advice of the scheme actuary (the Government Actuary). Under the SCAPE methodology, the employer contribution from the CNPA effective from 1 April 2006 was established at 16.2% of pensionable earnings. This rate is expected to continue throughout the 2016/17 scheme year.

The CNPA employees also participate in the UKAEA and Associated Employers Additional Voluntary Contribution Scheme (AVC) which is a defined contribution arrangement. There is no employer contribution to this arrangement. The scheme is fully insured and administered by the Prudential Assurance Company Limited to whom contributions are paid. The AVC scheme covers those employees of the CNPA, and of other employers, who are members of the CPS and who have opted to pay additional voluntary contributions.

5. Expenditure

Notes	2015/16 £000	2014/15 £000
Staff Costs		
Wages and salaries	62,141	57,984
Social Security costs	5,516	5,427
Other pension costs	8,232	7,795
Agency staff	1	94
Total staff costs	75,890	71,300
Goods and services		
Travel and subsistence	5,439	5,507
Consultancy services	23	150
Training and development costs	862	786
Other professional services	2,597	1,144
Legal fees	323	410
Insurance	635	531
Regulatory and assurance	438	309
Audit fees	42	42
Personnel related costs	665	877
Marketing and media related costs	113	91
Accommodation and building management services	1,244	1,181
Managed and shared services	3,517	2,729
Telecoms and radio costs	1,195	1,108
ICT goods and services	317	343
Firearms goods and services	2,380	2,222
Energy, utilities and waste management costs	654	612
Vehicle maintenance	240	218
Purchase of other goods and services	2,487	2,189
Rentals under operating leases - buildings	338	338
Rentals under operating leases - office equipment	12	47
Loss on disposal of inventories	60	66
Total goods and services purchased	23,581	20,900
Other operating charges	33	62
Non-cash items		
Depreciation of property, plant and equipment	6	1,723
Amortisation of intangible assets	7	277
Capital grants released	(1,061)	(838)
Movement in provisions	13	543
Unwinding of discount on provisions	13	68
Total non-cash items	613	1,773
Total other expenditure	24,227	22,735
	100,117	94,035

6. Property, Plant and Equipment

	Transport equipment	Plant and machinery	Furniture and fittings	Information Technology	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000	£000
Cost or valuation						
At 1 April 2015	3,800	5,562	594	2,604	1,022	13,582
Additions	498	401	86	390	1,975	3,350
Disposals	(137)	(69)	(3)	(45)	-	(254)
Reclassifications	564	-	-	73	(643)	(6)
At 31 March 2016	4,725	5,894	677	3,022	2,354	16,672
Depreciation						
At 1 April 2015	2,174	2,597	358	2,105	-	7,234
Charged in year	644	603	46	400	-	1,693
Disposals	(137)	(57)	(3)	(45)	-	(242)
At 31 March 2016	2,681	3,143	401	2,460	-	8,685
Net book value at 31 March 2016	2,044	2,751	276	562	2,354	7,987
Asset financing						
Owned	2,044	2,751	276	562	2,354	7,987
Net book value at 31 March 2016	2,044	2,751	276	562	2,354	7,987

	Transport equipment	Plant and machinery	Furniture and fittings	Information technology	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000	£000
Cost or valuation						
At 1 April 2014	3,759	4,468	576	2,702	1,226	12,731
Additions	258	504	40	50	986	1,838
Disposals	(227)	(86)	(10)	(195)	-	(518)
Reclassifications	10	676	(12)	47	(1,190)	(469)
At 31 March 2015	3,800	5,562	594	2,604	1,022	13,582
Depreciation						
At 1 April 2014	1,767	2,042	320	1,889	-	6,018
Charged in year	634	633	45	411	-	1,723
Disposals	(227)	(78)	(7)	(195)	-	(507)
At 31 March 2015	2,174	2,597	358	2,105	-	7,234
Net book value at 31 March 2015	1,626	2,965	236	499	1,022	6,348
Asset financing						
Owned	1,626	2,965	236	499	1,022	6,348
Net book value at 31 March 2015	1,626	2,965	236	499	1,022	6,348

Payments on account and assets under construction represent assets that are incomplete or not yet in productive use by the CNPA. At 31 March 2016 this related to £924,000 for vehicles (2014/15: £877,000), £1,219,000 for Information Technology (2014/15: £96,000), £114,000 for police control room equipment (2014/15: £49,000), £6,000 for plant and equipment and £91,000 for fixtures and fittings.

7. Intangible Assets

	Software licences £000	Information Technology £000	Total £000
Cost or valuation			
At 1 April 2015	508	1,179	1,687
Additions	-	495	495
Disposals	(40)	-	(40)
Reclassifications	6	-	6
At 31 March 2016	474	1,674	2,148
Amortisation			
At 1 April 2015	376	687	1,063
Charged in year	70	183	253
Disposals	(40)	-	(40)
At 31 March 2016	406	870	1,276
Net book value at 31 March 2016	68	804	872
Asset financing			
Owned	68	804	872
Net book value at 31 March 2016	68	804	872

	Software licences £000	Information Technology £000	Total £000
Cost or valuation			
At 1 April 2014	389	741	1,130
Additions	96	2	98
Disposals	-	(10)	(10)
Reclassifications	23	446	469
At 31 March 2015	508	1,179	1,687
Amortisation			
At 1 April 2014	276	520	796
Charged in year	100	177	277
Disposals	-	(10)	(10)
At 31 March 2015	376	687	1,063
Net book value at 31 March 2015	132	492	624
Asset financing			
Owned	132	492	624
Net book value at 31 March 2015	132	492	624

Amortisation charge

The amortisation charge is recognised in other expenditure in the Statement of Comprehensive Net Expenditure.

8. Financial Instruments

The CNPA has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

This note presents information about the CNPA's exposure to each of the above risks and its objectives, policies and processes for measuring and managing risk. The CNPA Board has overall responsibility for the establishment and oversight of the CNPA's risk management framework. The Audit, Risk and Governance Committee oversees how management monitors compliance with the CNPA's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to risks faced by the CNPA.

Credit risk

Credit risk is the risk of financial loss to the CNPA if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises from the CNPA's debtors and cash balances held in a commercial bank.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting period was:

Loans and other receivables	2015/16 £000	2014/15 £000
Total receivables (excluding prepayments)	12,635	14,030
Cash and cash equivalents	8,808	4,776
	21,443	18,806

Credit risk for receivables at the reporting date was wholly in relation to the United Kingdom. The CNPA's exposure is concentrated among a small number of customers. No collateral or other credit enhancements are held as security over the recoverability of these balances. The CNPA expects its receivable balances to be recovered in full due to its customers' past payment histories and high credit ratings. Cash balances are held in highly rated, short-term fixed rate deposits with the Royal Bank of Scotland Plc (RBS).

An analysis of total receivables (excluding prepayments), including those which are past due but not impaired, is set out below:

	2015/16 £000	2014/15 £000
Not past due	12,606	10,731
Past due less than 1 month	29	3,286
Between 1 and 2 months	-	13
	12,635	14,030

No receivables balances were considered impaired at the end of the reporting period (2014/15: £nil). There are no receivables that would otherwise be past due or impaired whose terms have been renegotiated (2014/15: £nil).

Liquidity risk

Liquidity risk is the risk that the CNPA will not be able to meet its financial obligations as they fall due. The following are the contractual maturities of financial liabilities at the end of the reporting period:

At 31 March 2016	Within 1 month	Between 1 and 3 months	Between 3 and 12 months	Total contractual maturity
	£000	£000	£000	£000
Accrued expenses	-	6,265	-	6,265
Other payables	1,136	-	-	1,136
	1,136	6,265	-	7,401

At 31 March 2015	Within 1 month	Between 1 and 3 months	Between 3 and 12 months	Total contractual maturity
	£000	£000	£000	£000
Trade payables	251	-	-	251
Accrued expenses	-	5,028	-	5,028
Other payables	1,056	-	-	1,056
	1,307	5,028	-	6,335

The former Department of Trade and Industry (DTI) provided working capital of £6 million when the CNPA was established. This was used to fund timing differences between receipts from customers and payments to creditors. In addition, the CNPA has an overdraft facility of £1 million with the RBS, repayable on demand, and used to meet short-term working capital requirements. This facility was not used during the reporting period.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the CNPA's income or the value of its holdings of financial instruments. Market risk comprises currency risk, interest rate risk and other price risk. The CNPA's exposure to these components of market risk is described below:

Currency risk

The foreign currency risk to the CNPA is minimal as very little trading is done except in sterling and all sales invoices are raised in sterling. All material monetary assets and liabilities are held in sterling, so the CNPA is not exposed to foreign currency risk.

Interest rate risk

All cash balances were positive during the reporting period and held in highly rated short-term fixed rate deposits. The CNPA had no significant interest rate risk.

Other price risk

The CNPA had no significant other price risk.

Estimation of fair values

Trade receivables, accrued income and other receivables/payables and accrued expenses
The carrying values of trade and other receivables and trade and other payables and accrued income and accrued expenses are assumed to approximate their fair value due to their short-term nature.

Early departure receivables

The carrying amount of this asset approximates to its fair value.

Cash at bank and in hand

The carrying amount of this asset approximates to its fair value.

9. Inventories

	2015/16 £000	2014/15 £000
Clothing	-	87
Ammunition	1,623	1,345
Other inventory items	5	80
	1,628	1,512

During the reporting period £60,000 (2014/15: £66,000) of obsolete, slow moving or defective items of inventory was written off.

10. Trade Receivables and Other Assets

	2015/16 £000	2014/15 £000
Amounts falling due within one year:		
Trade receivables	10,086	11,660
Early departure receivables due from pension scheme	260	137
Prepayments and accrued income	1,228	1,070
Other receivables	929	684
	12,503	13,551
Amounts falling due after more than one year:		
Early departure receivables due from pension scheme	445	689
Other receivables	45	50
	490	739

11. Cash and Cash Equivalents

	2015/16 £000	2014/15 £000
Balance at 1 April	4,776	9,603
Net change in cash and cash equivalent balances	4,032	(4,827)
Balance at 31 March	8,808	4,776
The following balances at 31 March were held at:		
	2015/16 £000	2014/15 £000
Commercial bank	8,808	4,776
	8,808	4,776

12. Trade Payables and Other Current Liabilities

	2015/16 £000	2014/15 £000
Amounts falling due within one year		
Trade payables	-	251
Other taxation and social security	1,674	1,515
Accrued expenses	6,265	5,028
Deferred income	1,737	659
Other payables	1,136	1,056
	10,812	8,509
Amounts falling due after more than one year:		
Deferred income	4,259	2,283
	4,259	2,283

13. Provisions for Liabilities and Charges

	Legal £000	Dilapidations £000	Early departure costs £000	Total £000
At 1 April 2014	917	243	1,633	2,793
Provided in the year	556	-	378	934
Provisions utilised in the year	(416)	-	(277)	(693)
Provisions not required written back	(391)	-	-	(391)
Unwinding of discount	-	-	68	68
At 31 March 2015	666	243	1,802	2,711
Provided in the year	70	3	129	202
Provisions utilised in the year	(125)	-	(435)	(560)
Provisions not required written back	(519)	-	-	(519)
Unwinding of discount	-	-	45	45
At 31 March 2016	92	246	1,541	1,879
Expected timings of cash flows				
Within one year	92	-	275	367
Between two and five years	-	-	599	599
After five years	-	246	667	913
	92	246	1,541	1,879

Legal

A provision that was open at 1 April 2015 to settle a claim following a judgement at an employment tribunal that found against the CNPA has been settled.

Further provision has been made for ten smaller claims of up to £10,000 each. Of the eight claims open at 1 April 2015, the provision is unchanged for one, increased for two and the remaining five have been written back during the reporting period.

Dilapidations

The CNPA is legally obliged to restore the properties it occupies under lease to their original condition at the end of the lease term. Significant alterations have been made to offices leased at Constabulary headquarters in Culham. The cost of restoring the property was estimated by an external specialist organisation and includes VAT. This provision is expected to be used in 2021/22 on expiry of the lease term.

Early departure costs

This provision has been made to cover pension payments to former employees who have retired early. Payments are made to the date on which the employee reaches the normal retirement age of 60, after which the employee's pension costs will be borne by the pension scheme. Payments are made to the pension scheme after age 60 for an average of 22 years to cover the unenhanced elements of these pensions. Pension payments have been indexed in line with rules set out by the Official Committee on Occupational Pensions; that is pension payments are indexed annually in line with the Consumer Prices Index (CPI) to the previous September. Forecast CPI has been taken from the Budget Report published in March 2016 by HM Treasury. Pension payments to age 60 have been discounted using discount rates based on the prevailing CPI and real discount rate of 1.37%. Payments after age 60 are discounted using the real discount rate of 1.37%.

14. Taxpayers' Equity

Reconciliation of movement in taxpayers' equity

	Income and expenditure reserve	Financing reserve	Total
	£000	£000	£000
At 1 April 2014	(4,817)	19,151	14,334
Grant-in-aid received	-	277	277
Other financing contributions	-	113	113
Comprehensive expenditure for the year	(677)	-	(677)
At 1 April 2015	(5,494)	19,541	14,047
Grant-in-aid received	-	891	891
Other financing contributions	-	63	63
Comprehensive expenditure for the year	337	-	337
At 31 March 2016	(5,157)	20,495	15,338

Income and expenditure reserve

The income and expenditure reserve shows accumulated surpluses and deficits. The CNPA is required to recover its full operating costs each year through charges to customers to whom it provides a service. The deficit of £5,157,000 (2014/15: £5,494,000) is due to the provision of early departure costs for non-AFOs and police staff following withdrawal from Springfields, Capenhurst and Chapelcross OPUs. These costs are not considered operating costs and cannot be recharged to the CNPA's customers. They will be met in full by DECC, through grant-in-aid funding, as and when they fall due for payment and will be recognised by the CNPA on a cash basis in the year in which the payment is received.

Financing reserve

The finance reserve relates to grant-in-aid provided by the CNPA's sponsoring department. It is credited to the financing reserve, as it is regarded as a contribution from a controlling party giving rise to a financial interest in the residual interest of the CNPA. Other financing contributions comprised £14,000 (2014/15: £16,000) of interest earned on the CNPA's bank accounts and £49,000 (2014/15: £97,000) from charges made to operating companies to finance purchases of property, plant and equipment. Other financing contributions are payable to DECC and, by agreement with DECC, included within financing.

15. Capital Commitments

Contracted capital commitments at 31 March not otherwise included in these financial statements comprised:

	2015/16 £000	2014/15 £000
Property, plant and equipment	1,459	1,024
Intangible assets	-	38
	1,459	1,062

16. Commitments Under Operating Leases

The CNPA leases office accommodation and office equipment under non-cancellable operating leases. The leases have varying terms, escalation clauses and renewal rights. Typical lease terms are shown below:

Office accommodation	15 years
Office equipment	3 - 4 years

During the year to 31 March 2016, £350,000 (2014/15: £386,000) was recognised as an expense in respect of operating leases in the Statement of Comprehensive Net Expenditure.

Total future minimum lease payments under non-cancellable operating leases are set out below:

	2015/16 £000	2014/15 £000
Leasehold properties		
Less than one year	113	338
Between one and five years	-	113
	113	451

	2015/16 £000	2014/15 £000
Leasehold office equipment		
Less than one year	-	12
	-	12

17. Other Financial Commitments

The CNPA has entered into non-cancellable contracts (which are not leases or Private Finance Initiatives contracts) for access to the Airwave communication network and for rental and licence contracts for business premises. The payments to which the CNPA is committed are as follows:

	2015/16 £000	2014/15 £000
Less than one year	1,179	929
Between one and five years	2,358	2,664
	3,537	3,593

18. Contingent Liabilities

There are a number of potential liabilities in respect of claims from employees, which depend on actual or potential proceedings. The timing and amounts of any payment are uncertain. These liabilities have not been provided for as the CNPA believes that the claims are unlikely to be successful and unlikely to lead to a transfer of economic benefits.

19. Related-Party Transactions

The CNPA is an executive non-departmental public body of DECC. DECC is regarded as a related party. During the year, the CNPA has had various material transactions with DECC and with the following organisations for which DECC is regarded as the parent:

- International Nuclear Services Ltd; a subsidiary of the Nuclear Decommissioning Authority;
- Dounreay Site Restoration Limited;
- Magnox Limited; and
- Sellafield Limited.

These are private companies that operate nuclear sites on behalf of, and under contract to, the Nuclear Decommissioning Authority.

The CNPA has had a small number of material transactions with other government departments and other central government bodies. These transactions have been with:

- Home Office;
- Office for Nuclear Regulation;
- United Kingdom Atomic Energy Authority; and
- United Kingdom Atomic Energy Authority Pension Scheme.

No CNPA Board member, key manager or other related parties has undertaken any material transactions with the CNPA during the year.

20. Events After the Reporting Period

There are no reportable events after the reporting period. These accounts were authorised for issue by the Accounting Officer on 11 July 2016, the date that the accounts were certified by the Comptroller and Auditor General.

21. Accounts Direction

An Accounts Direction has been provided by the Secretary of State for Energy and Climate Change, with the approval of HM Treasury, and in accordance with Schedule 10 of the Energy Act 2004.

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