

CIVIL NUCLEAR POLICE AUTHORITY
AUDIT, RISK AND GOVERNANCE COMMITTEE

Terms of Reference

September 2015

PURPOSE OF COMMITTEE

To keep under review and report to the Board on the comprehensiveness, reliability and integrity of assurances given to meet the Authority's and the Accounting Officer's assurance needs.

SPECIFIC RESPONSIBILITIES

The Committee will keep under review and advise the Board and the Accounting Officer on all matters relating to the internal and external audit, risk management and governance of the Authority and the Civil Nuclear Constabulary. It will provide an opinion on the effectiveness of monitoring processes and whether reliance can be placed upon internal control systems. It will:

- (i) monitor and recommend to the Board and the Accounting Officer action in respect of:
- the effectiveness of the strategic processes for risk, control and governance and the Governance Statement;
 - the accounting policies, and the accounts, including the process for review of the accounts prior to submission for audit, levels of error identified, and management's letter of representation to the external auditors;
 - the financial standing of the organisation, including following close scrutiny of the draft annual report and accounts prior to their submission to the Board each year for approval;
 - the effectiveness of the Authority's and the Constabulary's financial management and control systems, and internal business processes, including anti-fraud and whistle-blowing arrangements;
 - the results of the Authority's internal and external audit arrangements and the effectiveness of the response to issues identified by audit activity, including external audit's management letter;
 - the Authority's and the Constabulary's management of risks, including arrangements for business continuity and disaster recovery; and
 - the corporate governance requirements of the Authority.
- (ii) agree:
- the planned activity for internal audit, including the arrangements for and the appointment of the Authority's internal Auditors;
 - the annual Audit Plan. The Committee will approve any audit review that, following appropriate discussion, either the Board or the Accounting Officer wishes to see conducted; and

- a programme of Member training and development to satisfy corporate governance guidelines.
- (iii) review its own effectiveness not less than once every three years, and report the results of that review to the Board.

The Committee will:

- report its conclusions to the Board through the circulation of the minutes of its meetings to Board members; and
- provide the Board and the Accounting Officer with an annual report, timed to support the finalisation of the accounts and the Governance Statement, summarising the conclusions of the work it has undertaken throughout the year

CHAIR RESPONSIBILITIES

1. Lead the Committee, ensuring its effectiveness and setting its agenda, and be available to any Committee member or attendee wishing to consult on any matter within the Committee's remit
2. Convene a meeting of the Committee if so requested by the Authority or Board or by any member of the Committee as necessary
3. Determine an appropriate course of action with any member who declares a potential or actual conflict of interest.

COMMITTEE MEMBERSHIP

1. The Committee will comprise three members of the Authority.
2. The Committee will be chaired by an independent member of the Authority.
3. The Committee will be deemed to be quorate when it is attended by the Chair and at least one member of the Authority.
4. Audit Committee meetings will normally be attended by the CNC's Finance Director, the Head of Internal Audit and a representative of the National Audit Office. The Head of Executive Office and Legal Services will normally attend the committee in an observer capacity. The Accounting Officer will normally attend the committee but if he/she could not attend then provision should be made for a deputy to be nominated.
5. The Committee may co-opt additional members to provide specialist skills, knowledge and experience.
6. The Committee may at any time ask those who attend meetings but are not members of the Committee to withdraw to facilitate open and frank discussion of any matter.

MEETINGS

1. The Committee will meet at least four times a year.
2. The Committee may procure specialist expert advice at the expense of the CNC, subject to financial approval by the Authority.
3. The Head of Internal Audit and the representative of the National Audit Office have free and confidential access to the Chair of the Committee at any time on any matter relevant to the remit of the Committee.

ARGC Terms of Reference

Approved in principle by ARGC 9 September 2015

Endorsed by CNPA on 30 September 2015

4. The Accounting Officer has free and confidential access to the Chair of the Committee at any time on any matter relevant to the remit of the Committee.
5. The Accounting Officer may ask the Audit Committee to convene further meetings to discuss particular issues on which the Committee's advice is required.

ADMINISTRATION

1. The Board Secretary will be provided or designated as directed by the Committee.
2. The agendas for meetings will be determined by the Chair. Papers will be circulated at least five working days in advance of a meeting. Papers may be taken for approval out of committee with the approval of the Chair.
3. Minutes will be approved by the Chair and issued to members in final draft form within two weeks of the meeting.