



**CIVIL NUCLEAR POLICE AUTHORITY**  
**AUDIT, RISK AND FINANCE COMMITTEE**

**Terms of Reference**

**1. PURPOSE**

The function and purpose of the Audit, Risk and Finance Committee is **to oversee and scrutinise matters associated with risk, assurance and audit. The Committee also assists the Board and Executive by providing advice and guidance on the adequacy of the organisation's governance structure, control framework, values, ethics and corporate policies.**

**The Committee will provide governance, oversight and scrutiny of significant financial matters relation to the organisation. It will support and assure the Civil Nuclear Police Authority (CNPA) of its responsibilities to secure efficiency and effectiveness as outlined in the HM Treasury Managing Public Money document and the BEIS/CNPA MoU and Framework and will receive and review regular information concerning the financial management and performance of the CNC.**

**2. SPECIFIC RESPONSIBILITIES**

**2.1. AUDIT, ASSURANCE AND RISK**

- 2.1.1 Review and approve appropriate internal and external Annual Audit Plan to ensure the necessary focus and assurances are being provided to areas of importance or concern within CNPA and CNC. Track progress of relevant strategies, plans and processes specified by the Annual Audit Plan and/or the Authority/Committee programme of work.
- 2.1.2 Oversight of the internal audit activity, external auditors, and other providers of assurance relating to the Authority and CNC.
- 2.1.3 Oversee the planned activity for internal audit, including the arrangements for, and the appointment of, the Authority's internal Auditors. Approve proposals for tendering for Internal Audit services or for the purchase of non-audit services from contractors who provide Audit services.
- 2.1.4 Exercise delegated function from the Authority to investigate and review any activity within its remit and seek information it requires from any employee who must comply with such requests.
- 2.1.5 Consider for Approval, any audit review that, following appropriate consultation, either the Authority or the Chief Constable/Accounting Officer wishes to see conducted.

- 2.1.6 Provide advice and guidance to the Authority on the completeness of internal and external audit plans and findings.
- 2.1.7 Review, scrutinise and report to the Authority on the comprehensiveness, reliability and integrity of assurances given to meet the Authority's and the Accounting Officer's assurance needs, including compliance to the organisation's governance structure and control framework.
- 2.1.8 Approve the strategic processes for risk and control.
- 2.1.9 Monitor, review and scrutinize the management of high-level risks as classified in the Strategic Risk Register to assure that exposure and impact is understood, and mitigation actions are identified and enacted.
- 2.1.10 Review the effectiveness of the strategic processes for risk, control, governance and assurance.
- 2.1.11 Monitor and recommend the Authority's and the CNC's management of risks, including arrangements for business continuity and disaster recovery.
- 2.1.12 Review and scrutinize the application of the Authority and CNC's corporate governance requirements as described in BEIS/CNPA MoU and Framework, appropriate internal frameworks and the governance statement.
- 2.1.13 Review its own effectiveness not less than once every three years and report the results of that review to the Authority
- 2.1.14 Scrutinise (as deemed appropriate and by 'deep dive' or by way of 'dip check') the effectiveness of CNC's corporate monitoring processes, procedures and policies and ensure the robustness of CNC's internal control systems.

## **2.2. FINANCE**

- 2.2.1 Consider and recommend to the Authority, capital and revenue budgets and projections for CNC.
- 2.2.2 Monitor and scrutinise approved capital projects, revenue and other budgets for CNC on a quarterly cycle.
- 2.2.3 Advise on the accounting policies, the accounts and the Annual Report, including the process for review of the accounts prior to submission for Audit, levels of errors identified and management's letter of representation to the external Auditors.
- 2.2.4 Monitor and recommend the financial standing of the organisation, including following close scrutiny of the draft Annual Report and Accounts prior to their submission to the Authority each year for approval.

2.2.5 Monitor and recommend the effectiveness of the Authority's and the CNC's financial management and control systems and internal business processes, including anti-fraud and whistle-blowing arrangements.

### **3. ACCESS**

The Heads of Internal and External Audit will have free and confidential access to the Committee Chair and vice versa. The Committee chair must report such contact to the Chair of the Authority.

### **4. COMMITTEE CHAIR RESPONSIBILITIES**

The Committee Chair must be an Independent Member, as stipulated in HMIC Guidelines.

The Committee Chair will be nominated by the Chair of the Authority and endorsed by the full Authority and will:

- Ensure that the business of the Committee is dealt with efficiently, effectively and that all persons received a fair hearing.
- Lead the meeting to make appropriate decisions and judgments on when to make recommendations to the Authority.
- Convene a meeting of the Committee as required or if so, requested by the Authority or by any Member of the Committee.
- Determine an appropriate course of action with any Member who declares a potential or actual conflict of interest.

### **5. MEMBERSHIP AND ATTENDANCE**

The Audit, Risk and Finance Committee will comprise of four (4) Members of the Authority, one of whom will be the Chair.

The Members of the Committee will be nominated by the Chair of the Authority and endorsed by the full Authority.

The Chair of the CNPA may not be a member of the Committee but may attend Committee meetings.

The Committee may:

- Invite additional attendees (including other representatives from the CNC) when required, to provide specialist skills, knowledge and experience; and
- Procure specialist ad-hoc advice at the expense of the organisation, subject to budgets agreed by the Authority.
- Committee meetings will be attended by the Chief Constable/Accountable Officer, Director of Corporate Services, **Head of Finance and Business Efficiency/Chief Financial Officer, Head of Governance and Assurance**, the Head of Internal Audit and a representative of the National Audit Office.

- A standing invite is extended to the Deputy Chief Constable and the Director of People and Organisational Development. The Director of Governance, Compliance and Legal Services will attend in an observer and advisory capacity.
- The Chief Constable/Accounting Officer is required to attend the Committee but if he/she cannot attend, then provision should be made for an appropriate Deputy, with delegated authority, to be nominated.
- The Committee may require any other officials of the CNC to attend to assist it with its discussions on any particular matter.
- The Committee may ask any or all of those who normally attend but who are not Members to withdraw to facilitate open and frank discussion of particular matters.
- The quorum for meetings of the Committee will be two (2) Authority Members, one being the Chair of the Committee. In the event that two (2) Members are not available for a meeting; the Authority may substitute another suitable Authority member.
- In his or her absence the Committee Chair may nominate a deputy, or the Committee may elect an interim Chair.

## **6. MEETINGS**

The Committee will meet at least four (4) times a year.

The Authority or Chief Constable/Accounting Officer may also seek to ask the Committee to convene further meetings to discuss specific issues as appropriate to the remit of the Audit, Risk and Finance Committee.

## **7. ADMINISTRATION AND INFORMATION REQUIREMENTS**

The Secretariat of the Audit, Risk and Finance Committee will be nominated by the Head of Governance and Assurance.

The Chair will set the Agenda with support **from the Governance and Assurance function in the first instance**, with input from Director of Corporate Services and/or Head of Finance and Business Efficiency/Chief Financial Officer, and/or Chief Constable/Accountable Officer as appropriate.

Agenda Items will look to include reports on financial budgets and plans, strategic risks and opportunities, internal audits and internal assurance. As and when appropriate, the Committee will consider reports on other items that align to the business planning cycle (including reports from the external auditors).

Proposed items for the agenda may be raised with the Chair of the Committee by Members or other attendees. This should be done no later than three (3) weeks before the relevant meeting.

It is for the Chair to consider whether the item is appropriate and at which meeting it should be presented. Where the Chair rejects an item, he/she must report that to the next meeting of the Committee. Items raised within the two-week time limit may be considered at the discretion of the Chair.

In advance of each Committee meeting, the CNC Corporate Services Director and/or Head of Finance and Business Efficiency will meet with the Chair (or nominated deputy) of the Committee to discuss the agenda for the forthcoming meeting (an Agenda Planning Meeting).

Agenda Items and Papers will be circulated electronically five (5) working days in advance of a meeting.

Papers may be taken For Decision out-of-committee with the approval of the Chair but reported to the next meeting.

Formal Minutes and actions of the Committee meeting will be written in DRAFT and submitted to the Committee Members to review and comment no later than ten (10) working days from the meeting.

A Decision Log will be established, maintained, updated and issued at every Committee meeting as a reference.

The Committee Chair will provide a written update report on business progressed through the Committee for each formal Authority Board Meeting.

The Committee will provide the Authority 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 that it has undertaken throughout the year.

## **8. VOTING/DECISION MAKING**

The Committee will normally adopt a consensus approach to decision making.

If all Committee Members cannot achieve consensus then any Member may ask for a vote to be taken. In such cases the majority of Members voting in favour will determine the decision. Where the vote is split and insufficient members are present to achieve the required level of votes, the deciding vote will be with the Chair of the Committee.

As specified in the BEIS/CNPA MoU and Framework, only Members of the Authority are entitled to vote.

## **9. APPROVAL OF TERMS OF REFERENCE AND DATE OF NEXT REVIEW**

The Audit, Risk and Finance Committee were approved by:

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Sue Scane  
On behalf of CNPA Board and CNPA Audit, Risk and Finance Committee

on 24<sup>th</sup> February 2021

The Terms of Reference will be reviewed and re-submitted to the CNPA for Approval 12 months/1 year of this date.