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## NPCC's Audit and Assurance Board (AAB): Terms of Reference

September 2017

### Chair and Vice Chair

The AAB shall appoint one of its independent non-executive members ("NEMs") to the role of Audit and Assurance Chair.

The AAB may elect a vice-chair from any of its membership to preside in the absence of the Audit and Assurance Chair of the Board.

### Membership

- NPCC Chair
- 3 Police and Crime Commissioners nominated by the Association of Police and Crime Commissioners ("APCC")
- 1 nominee of the Chief Police Officers' Staff Association
- 1 nominee of the Home Office
- 3 independent NEMs (appointed by the Board).

Each AAB member (other than the NEMs) may nominate a substitute member to attend any AAB meeting in their place provided this is an individual of appropriate seniority and subject to appropriate notification having been given in advance to the Audit and Assurance Chair.

### Meetings

Meetings will be held quarterly.

Agendas and Papers will be sent to AAB members one (1) week before a meeting. Minutes and actions shall be published within a month of the meeting.

Minutes should be published except to the extent they contain information that may be withheld under the FOIA.

### Purpose

The Audit and Assurance Board will seek assurance that NPCC business is conducted in accordance with the law and proper standards (in particular the Nolan Principles) in an open and transparent way. It will seek to ensure that public money is safeguarded and properly accounted for and that resources are managed in an effective, efficient and economic way in achieving the NPCC objectives.

### Terms of Reference:

The specific responsibilities of the Audit and Assurance Board are as follows:



### Finance, Audit and Risk

1. Scrutinise and review the Three Year Financial Plan, making recommendations to the Parties on variations to the plan if required
2. Review the annual budget against the Three Year Financial Plan before the start of the financial period and review in year progress and risks relating to the annual budget, reporting any concerns to the Parties
3. Seek assurance that the NPCC's financial arrangements, financial processes, management of assets and internal controls comply with the schemes of the host force and that these are fit for purpose, proportionate and relevant to the NPCC
4. Scrutinise, review and comment on the NPCC's liabilities
5. Scrutinise, review and make recommendations on internal control and risk management arrangements
6. Commission appropriate internal and external audit work, ensuring this work focuses and provides assurance on the key areas of risk and that any agreed audit recommendations are implemented in a timely way
7. Review and publish an annual statement of financial accountability, seeking assurances that this provides a materially accurate account of the financial position and transactions of the NPCC

### Governance and Legal

8. Scrutinise and make recommendations to the Parties on any changes to this Agreement
9. Perform such functions in relation to Dispute Resolution as set out in Schedule 3 of this Agreement
10. Seek assurance that the NPCC has appropriate and effective processes in place for compliance with relevant regulatory, legal and code of conduct requirements
11. Seek assurance that the NPCC Chair has an effective process for all NPCC media positions
12. Receive a report from the Performance Committee at least annually in respect of the NPCC Chair reporting any concerns to the Parties
13. In the event of a Party seeking to withdraw from the s22A agreement, agree a date of withdrawal with the Party and review any agreement by the Chair to meet any financial claim
14. Call an extraordinary meeting within 1 month of any decision by the Parties to terminate the agreement.
15. Scrutinise and review the health and safety management for the NPCC Staff of the Central Office and the Chair and seek assurance that these arrangements are in accordance with health and safety governance arrangements approved by the Host Force.

### Review and Monitor

16. Scrutinise, review and comment on the Annual Delivery Plan and monitor and review progress and risks relating to the plan
17. Scrutinise the work of Co-ordination Committees in delivering the NPCC objectives
18. Seek assurance that the NPCC Chair has an effective process for all NPCC media positions

### **Quorum**

The quorum of any AAB meeting shall be at least five (5) members of the AAB who are entitled to attend.

### **Voting**

Any matter will be decided by a simple majority of voting members of the AAB who are attending the meeting. In the event of an equality of votes the Audit and Assurance Chair shall have a second or casting vote. Before exercising a second or casting vote the Audit and Assurance Chair shall consider whether it is appropriate to defer the matter to the next meeting of the AAB.

A member appointed as a substitute shall have the same voting rights as the member for whom he/she is substituting and who does not attend. Where the appointed member attends, the substitute member shall not have any right to vote after the conclusion of the item of business being discussed when the appointed member arrives, but may remain at the meeting as an observer.

Voting shall be by a show of hands of those physically present at the meeting and by declaration of those virtually present or if there is no dissent by the affirmation of the meeting.

### **Accountability**

The AAB is accountable to all the interested parties that contribute to the NPCC. It will publish papers, minutes and an annual report and financial accountability statement. The AAB shall carry out an annual self-assessment.

### **AAB Board Members - Role and responsibilities:**

- Each AAB board member is an equal and corporate member of the AAB.
- All members abide by all the corporate decisions of the AAB.
- Each AAB board member will support the Audit and Assurance Chair and other board members to achieve the objectives of the AAB Terms of Reference.
- Wherever possible, each AAB board member will attend meetings in person rather than by substitute or telephone/video.
- Nominees of bodies represented are responsible for feeding back to their organisation a summary of the AAB's proceedings except that a copy of minutes shall be sent by the NPCC Central Office to the APCC.
- At each AAB meeting each member shall declare to the AAB Chair any conflict of interests with any item to be discussed.