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

Updated December 2015

1. Responsibilities

AAB's specific responsibilities are as per the S22A agreement. The non-executive chair seeks to resolve any dispute with reference to the agreement's provisions. In practice the main responsibilities are as follows:

(a) Audit and risk:

- Arrange and approve external audit of the financial accountability statement
- Arrange and approve internal audit of financial controls and systems
- Approve and publish the annual statement of financial accountability.
- Approve the risk management arrangements
- Arrange any other statutory audits and inspections as necessary
- The AAB will balance proportionality with public accountability needs when discharging these responsibilities.

(b) Finance:

- Accept the annual budget or refer it back to the Chief Constables' Council
- Approve the balance sheet and any changes including new assets
- Approve the Host Force contract for services
- Scrutinise the ACPO and associated organisations' dissolution arrangements including assets and liabilities
- Approve major financial policies and liabilities such as insurances

(c) Legal:

- Review and approve any changes to the S22A agreement including getting the Home Secretary's consent where necessary
- Approve any changes to Funding Parties and funding shares
- Ensure compliance with health and safety, diversity and environmental legislation
- Refer any complaints received about the Executive Chair to the Performance sub-committee
- The AAB will receive an annual report from the Performance sub-committee on performance appraisal and conduct issues/complaints.

(d) Governance:

- The AAB will consider the Chief Constables' Council (CCC) to have the primary responsibility for approving the business delivery plan but it would ratify and monitor that
- Hold the NPCC to account for the way in which it delivers its functions
- Receive an annual report from the Executive chair on the accountability of the co-ordination committees and lead forces
- The AAB will further the reputation of the NPCC and in that regard expect the Executive chair to have an assurance process for all media positions on behalf of the CCC
- Consult Funding Parties, Chief Officers and relevant others
- The AAB will support and challenge the NPCC and through those methods and scrutiny ensure public accountability.



2. Membership

Three PCCs nominated by the Association of Police and Crime Commissioners (APCC), one nominee of the Chief Police Officers' Staff Association, one nominee of the Home Office, the executive chair of NPCC and three independent non-executives. One of the latter will be the appointed chair.

3. Accountability

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. It will carry out an annual self-assessment.

4. Review

AAB will review its terms of reference at each meeting until further notice.

5. Working methods:

Meetings will be held quarterly. Papers will be sent a week before the meeting. Minutes and actions published a week after.

Board member's role and responsibilities

1. Each member is an equal and corporate member of the board. Thus nominees sit as equal individual members and not as representatives. All members abide by all the corporate decisions of the AAB.
2. The member will support the non-executive chair and other board members to achieve the terms of reference.
3. The member will specifically:
 - Propose items for meeting agendas
 - Read all the meeting papers
 - Share views and expertise on agenda items, listen to others and help achieve consensus
 - Through networking or other associations be an ambassador for NPCC so that it and the AAB achieve their objectives
 - Propose ways by which AAB could improve its operations
 - Participate in an annual appraisal with the non-executive chair.
4. Wherever possible, the member will attend meetings in person rather than by deputy or telephone/video.
5. Nominees of bodies represented would be responsible for feeding back to their association/organisation a summary of the AAB's proceedings except that a copy of minutes would be sent to the APCC.
6. At each meeting each member would declare to the non-executive chair if they see a conflict of interests with any item to be discussed. This would be in addition to the nominee role which the AAB does not consider a conflict.