

OFFICE FOR NUCLEAR REGULATION

ARRANGEMENTS FOR CORPORATE GOVERNANCE

**ONR – providing efficient and effective regulation of the nuclear industry,
holding it to account on behalf of the public**

CONTENTS

	PAGE
INTRODUCTION	
Board Role and Composition	3
ONR Standing Orders	4
ANNEX A	
Role of the ONR Board, Its Matters Reserved And Delegations	5
ANNEX B	
ONR Board Members: Required Competencies & Skills	9
ANNEX C	
ONR Audit and Risk Assurance Committee	10
Terms of Reference for ONR Audit and Risk Assurance Committee	10
ANNEX D	
ONR Remuneration Committee	18
Terms of reference for the Remuneration Committee	18
ANNEX E	
ONR Nominations Committee	22
Terms of reference for the Nominations Committee	22
ANNEX F	
ONR SECURITY COMMITTEE	26
Terms of Reference for the Security Committee	26
ANNEX G	
ONR STANDING ORDERS	32
Approved and Effective from 1 April 2014	
Meetings of the Members of the ONR Board	32
Committees	34
ONR Board Secretary	34
Declarations of Members' Interests	35

OFFICE FOR NUCLEAR REGULATION (ONR): ARRANGEMENTS FOR CORPORATE GOVERNANCE

Introduction

1. This document sets out the corporate governance structure for ONR. The provisions reflect the principles of the Cabinet Office Code of Good Practice on Corporate Governance, while also taking account of the particular requirements for independent nuclear regulation.
2. ONR has been established, under the Energy Act 2013, as an independent statutory body in order to support the Government's strategic aims and objectives for nuclear regulation. ONR's statutory purposes fall into the five categories of nuclear safety, nuclear site health and safety, civil nuclear security, nuclear safeguards, and transport of radioactive materials. ONR's mission is: "to provide efficient and effective regulation of the nuclear industry, holding it to account on behalf of the public". ONR is a Public Corporation and operates within the parameters of a Framework Document agreed with the Department for Work and Pensions, which was signed by the parties on 1 April 2014.

Board role and composition

3. The Energy Act 2013 established the ONR Board, which is responsible for setting and delivering ONR's strategic aims and objectives, and for ensuring that effective arrangements are in place at ONR to provide assurance on governance, risk management and internal control. A fuller note on the role of the Board is at [Annex A](#).
4. The 2013 Act prescribes the composition of the Board, as follows:
 - a maximum of seven Non-executive members, including the Chair. One of the Non-Executive members to have experience of, or expertise in, matters relevant to civil nuclear security matters. HSE may appoint a Non-Executive member from its Board as one of the seven. The remaining Non-Executive members, of the ONR Board, are appointed by the Secretary of State
 - a maximum of four Executive members, to include the ONR Chief Executive Officer (CEO) and the Chief Nuclear Inspector (CNI).
5. All members of the ONR Board must act in the best interests of ONR and, collectively, display the competencies and skills set out at [Annex B](#). They must also act in accordance with the Seven Principles of Public Life, set out by the Committee on Standards in Public Life.
6. The Board maintains four standing committees: an Audit and Risk Assurance Committee, a Remuneration Committee, a Nominations Committee and a Security Committee. Terms of reference for the four committees are respectively at [Annexes C, D E and F](#).

7. The Technical Director, Director of Policy and Communications, the Head of Private Office and the ONR Board Secretary attend Board meetings.

ONR Standing Orders

8. The Standing Orders, setting out the Board's way of working etc., are at Annex H.

ROLE OF THE ONR BOARD

Overview

1. The ONR Board is responsible for setting and delivering ONR's strategic aims and objectives, and for ensuring that effective arrangements are in place at ONR to provide assurance on governance, risk management and internal control.

Board responsibilities

2. Against the framework at paragraph 1 above, the ONR Board's responsibilities include:
 - establishing and delivering ONR's strategic aims and objectives consistent with its overall strategic direction and within the agreed Government policy;
 - ensuring that the responsible Minister is kept informed of any changes which are likely to impact on ONR's strategic direction or on the attainability of its targets, and determining the steps needed to deal with such changes;
 - ensuring that any statutory or administrative requirements for the use of public funds are complied with; that the ONR Board operates within the limits of its statutory authority and any delegated authority agreed with DWP, and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, the ONR Board takes into account guidance issued by DWP;
 - regularly reviewing financial information concerning the management of ONR; being informed in a timely manner about any concerns about the activities of ONR; and providing positive assurance to DWP that appropriate action has been taken on such concerns;
 - demonstrating and ensuring high standards of corporate governance and probity at all times, including using the independent audit committee to help the Board address key financial and other risks;
 - appointing, with the consent of the Secretary of State, the CEO and the CNI, and setting performance objectives for these roles, with remuneration terms linked to these objectives.

Delegation of functions

3. The ONR Board has delegated functions of the ONR (statutory and corporate governance) to the CEO (who, in turn, sub-delegates to ONR staff) except for regulatory decisions and certain matters reserved to the Board.
4. The Chair and other Non-Executive members of the ONR Board are not responsible for taking regulatory decisions, such as issuing, revoking or amending nuclear licences. These decisions, as required by the Energy Act 2013, have been delegated to the CNI who, in turn, sub-delegates such decisions to suitably qualified ONR staff (inspectors) under his leadership.
5. The letters of appointment for the CEO and CNI refers to these delegations. In addition, the appointment letters specify that the CEO must seek Board approval for any 'novel, contentious or repercussive' expenditure; and that the CNI will be required to assure the Board on a regular basis that ONR is meeting its regulatory priorities.
6. Table 1 below sets out ONR's functions and where they are reserved to the Board or delegated.

TABLE 1: ONR FUNCTIONS: MATTERS RESERVED TO THE ONR BOARD OR DELEGATED

FUNCTION	TYPE	FREQUENCY	RESERVED TO BOARD	DELEGATED TO	SECRETARY OF STATE APPROVAL (FOR INFORMATION)
Appointment of CEO	Statutory	As determined by Board	Yes - with approval of Minister	NA	DWP in consultation with BEIS
Appointment of CNI	Statutory	As above	As above	NA	DWP in consultation with BEIS
Appointment of Executive Board members	Statutory	As above	Yes	Nominations Committee	NA
All ONR statutory functions (not regulatory functions)	Statutory	As necessary	No, except where specified otherwise below	CEO who can sub-delegate	NA
Regulatory functions (in a particular case)	Statutory	As necessary	No	CNI who can sub-delegate	NA
Set ONR strategy	Statutory	Within 8 months of vesting; review every 5 years	Yes	CEO and Executive	Joint DWP/ BEIS
Set other strategies (e.g. regulatory, communications, etc.)	Corporate governance	As necessary	Yes	CEO and Executive	NA
Approve Annual Plan and budget	Statutory	Annually	Yes	CEO and Executive	Joint DWP/ BEIS
Approve Annual Report and Accounts	Statutory	Annually	Yes (on advice from Audit and Risk Assurance Committee)	CEO and Executive	NA
Set staff terms and conditions	Statutory	As necessary	Yes	CEO and Executive	NA
Delivery of Annual Plan/management of ONR	Corporate governance	Continuous	No	CEO/Executive (on basis of optimum value for money)	NA
Hold Executive to account – finance, performance, assurance, etc.	Corporate governance	Quarterly	Yes	NA	NA

FUNCTION	TYPE	FREQUENCY	RESERVED TO BOARD	DELEGATED TO	SECRETARY OF STATE APPROVAL (FOR INFORMATION)
Scrutiny, audit, risk, etc.	Corporate governance	Quarterly	Yes	Audit and Risk Assurance Committee	NA
Succession plans for Board/top posts	Corporate governance	As necessary	Yes	Nominations Committee	NA
Executive remuneration	Statutory	Annually	Yes	Remuneration Committee	NA
Corporate policies (e.g. HR)	Corporate governance	As necessary	Yes	CEO and Executive	NA
Major legislative decisions ¹	Statutory	As necessary	Yes	CEO and Executive	DWP or BEIS ²
Major, specific decisions ³	Corporate governance	As necessary	Yes	CEO and Executive	NA

¹ Includes investigations, inquiries, making proposals for legislation and ACoPs, accepting and delegating ONR functions

² If nuclear regulation proposals or ACoPs: BEIS Secretary of State. If investigations or inquiries, undertaking commercial work or accepting or delegating ONR functions: DWP in consultation with BEIS.

³ Approval of major projects; policy advice to Ministers on significant issues; decisions with a significant public interest; decisions having a major economic impact; decisions requiring novel or contentious expenditure; or novel, contentious or repercussive use of ONR's formal powers.

ONR BOARD MEMBERS: REQUIRED COMPETENCIES AND SKILLS

KEY COMPETENCIES⁴	REQUISITE SKILLS
Collective decision-taking	Governance, understanding non-exec and exec roles; promote/protect ONR as first duty; act collectively; decide by consensus; support each other
Outward facing	Connectivity to stakeholders (not regulatory); build “constituencies” of support; build ONR networks with Government and influence with international bodies
Strategic clarity	Set strategy and mission
Commercial sense	Ensure sound financial management/sign off accounts etc.
	Sign off novel, contentious or repercussive spend
	Set risk appetite and ensure controls in place to manage risk
	Commercial acumen/sign off new income streams (Energy Act 2013 provides for this)
Talented people	Large scale programme and project management
	Make senior appointments - CEO and CNI
	Diversity
Results focus	Delivery of professional services (nuclear regulation) through people
	Agree Annual Plan/budget
	Challenge and hold Executive to account on delivery/performance
	Understand nuclear safety and security regulation; regulating conventional health and safety at nuclear sites; and wider regulatory environment
	Cyber security
Management information	Policy making
	Ensure comparable performance information to drive improvements

⁴ Based on HM Treasury/Cabinet Office Code of Good Practice on Corporate Governance (2011).

OFFICE FOR NUCLEAR REGULATION
AUDIT AND RISK ASSURANCE COMMITTEE

Audit and Risk Assurance Committee Role and Functions - Summary

The Audit and Risk Assurance Committee (ARAC) is responsible for ensuring the maintenance of appropriate and adequate audit processes, and for the governance of the internal audit and external audit programmes.

The committee has a particular remit of ensuring that all necessary reassurances can be provided to the Chief Executive in his/her role as the ONR Accounting Officer (in which role he/she is responsible and accountable for the ONR as detailed in the DWP/ONR Framework Document).

On behalf of the ONR Board, the committee has oversight of ONR's risk management processes.

It is a standing committee of the ONR Board and chaired by a non-executive member of the Board.

Terms of reference - Revised as at November 2017

Membership

1. The Committee shall be made up of at least two members who are also Non-Executive ONR Board members.
2. The ONR Chair is excluded from being a member of the Audit and Risk Assurance Committee but will normally be invited to attend one meeting a year (see paragraph 38).
3. The Board, in conjunction with the Chair of the Audit and Risk Assurance Committee, may also appoint independent members of the Committee.
4. Among the Members of committee there should be understanding of accountancy, governance, assurance and risk management, audit, technical/specialist issues relating to ONR, an understanding of the wider environment in which ONR operates, and detailed understanding of the government environment and accountability structures.

5. The members of the Audit and Risk Assurance Committee (ARAC) are:
 - 3 Non-Executive Board members.
 - 1 Independent External member.
6. The Committee Secretary will be provided by the ONR Secretariat.

Appointments

7. The Board, in consultation with the ARAC Chair, shall appoint members of the Committee.
8. Appointments shall be for a period of two to three years or for such periods as the Board Chair determines.
9. Induction training will be provided to new members of the committee. Further training will also be provided as required.

Reporting

10. The Secretary will minute the proceedings, decisions and recommendations of the committee meetings, including the names of those present and in attendance.
11. The Secretary to the Committee will circulate the minutes within five working days to the Chair for comment.
12. The ARAC will formally report in writing to the Board and Accounting Officer after each meeting. (This will take the form of presentation of minutes to the subsequent Board meeting, supplemented by an oral report from the ARAC Chair as appropriate).
13. The ARAC will provide the Board and Accounting Officer with an Annual Report, timed to support finalisation of the ONR accounts and the Governance Statement, summarising its conclusions from the work it has done during the year.

Responsibilities

Risk

14. To advise the Board and the Accounting Officer on the effectiveness of the strategic processes for risk management, control, governance and the Governance Statement and assuring itself that the risk management policy is effective and consistent with the Board's policies and appetite towards risk.

Financial reporting

15. To advise the Board and make any recommendations with respect to the accounting policies adopted by ONR, the integrity of the financial statements, the accounts, and the annual report of ONR, summary financial statements, any other formal announcement relating to financial performance, including the process for review of the accounts prior to submission for audit, level of error identified, materiality and management's letter of representation to the external auditors.
16. To review and challenge where necessary: the consistency of, and any changes to, accounting policies; the methods used to account for significant or unusual transactions where different approaches are possible; whether the ONR Executive has followed appropriate accounting standards and made appropriate estimates and judgments, taking into account the views of the external auditor; the clarity of disclosure in the financial reports and the context in which statements are made; and all material information presented with the financial statements, such as the operating and financial review and the corporate governance statement (insofar as it relates to the audit and risk management).
17. To have oversight of Internal Control processes, Regulatory Assurance review processes, and matters specific to ONR's control environment and governance arrangements.

Audit Services

Internal Audit

18. Appoint Internal Auditors for ONR, including the appointment/termination of Head of Internal Audit.
19. Approve and keep under review the ONR's internal audit plan.
20. Monitor and review the effectiveness of the internal audit function in the context of the ONR's overall risk management system.
21. Consider and approve the remit of the internal audit function and ensure it has adequate resources and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards. The Committee shall also ensure the function has adequate standing and is free from management or other restrictions.
22. Approve the appointment of the internal audit function (ONR will initially utilise the shared Group Internal Audit service available within DWP).

23. Advise the Board in relation to the annual report of the Head of Internal Audit, particularly in respect of the opinion provided regarding the ONR's organisation's risk, governance and internal control framework.
24. Review and monitor management's responsiveness to the findings and recommendations of the internal auditor.

External audit

25. In line with the current arrangements for the scrutiny of Government Departments on the use of public money, the external audit will be carried out by the Comptroller and Auditor General.
26. Review and approve the annual external audit plan and ensure that it is consistent with the scope of audit engagement.
27. Review the findings of the audit with the external auditor. This shall include, but not be limited to, the following; a discussion of any major issues which arose during the audit, any accounting and audit judgments, and levels of errors identified during the audit.
28. Meet regularly with the external auditor, including once at the planning stage before the audit and once after the audit at the reporting stage. Review the effectiveness of the audit.
29. Review any representation letter(s) requested by the external auditor before they are signed by management.
30. Review the management letter and management's response to the auditor's findings and recommendations.
31. Receive assurance that ONR makes appropriate provision within its annual budget to meet the cost of external audit work by NAO.
32. The Head of Internal Audit and the representative of External Audit will have free and confidential access to the ARAC Chair.
33. The Committee shall meet with both the External and Internal Auditors without any Executive Board members or senior management present as and when the Chair of the Committee considers appropriate.

Whistle blowing

34. Advise the Board on the adequacy of anti-fraud policies, the whistle blowing process and the Bribery Act and arrangements for special investigations in ONR. This includes keeping under review ONR's arrangements for its employees, or others (e.g. HSE employees who are not ONR staff) to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action.

Authority

35. The Committee is authorised by the ONR Board to investigate any activity within its Terms of Reference and may:
 - Co-opt additional members for a period not exceeding a year to provide specialist skills, knowledge and experience.
 - Procure specialist ad-hoc advice at the expense of the organisation, subject to budgets agreed by the Board. Arrangements are expected to be made through the ARAC Secretariat and using the ONR's usual arrangements for legal advice where possible.
 - Seek any information it requires from ONR staff. ONR staff are expected to co-operate with any request made by the committee.
 - Have access to sufficient resources in order to carry out its duties, including access to the ONR Secretary for assistance as required.

Meetings

36. The ARAC will meet four times per year. Typically, meetings will be scheduled to coincide with key dates within the reporting and audit cycle covering financial and control matters - this includes an appropriately scheduled meeting to review the annual report and accounts prior to submission to the ONR Board for approval.
37. The ARAC Chair may convene additional meetings as deemed necessary. Also should any members, external or internal auditors feel an additional meeting is necessary they should consult the Secretariat or the ARAC Chair as appropriate.

38. ARAC meetings will normally be attended by the Accounting Officer (who is also the Chief Executive), the Finance Director, the Head of Regulatory Assurance, the Head of Internal Audit, a representative from External Audit and a representative from the Sponsorship team. The Chair of the Board and the Chief Nuclear Inspector will be invited to attend normally one meeting per year.
39. The ARAC may ask other officials from ONR to attend to assist with its discussions on any particular matter.
40. The ARAC 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.
41. The Board or the Accounting Officer may ask the ARAC to convene further meetings to discuss particular issues on which they want the Committee's advice.
42. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive members, no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, also no later than five working days before the date of the meeting.
43. Any disagreements between the Board and ARAC which are not able to be resolved should be discussed with the sponsoring department.

Quorum

44. A minimum of two Non-Executive Directors of the ARAC will be present for the meeting to be deemed quorate.
45. Members' attendance through telephone or video link is permissible for the purposes of determining a quorum.
46. Decisions by members will normally be taken by consensus, although any member may call for a vote to be taken. In such cases, the Chair has a casting vote.
47. Where the Committee Chair determines it appropriate, decisions may be taken by email.
48. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

49. Where members are unable to attend the meeting, they should provide any comments on any papers to the Committee Chair in advance of the meeting.

Information Requirements

50. For each meeting the ARAC will be provided with:
- An oral report by the Chief Executive of key developments at ONR since the Committee last met.
 - A report summarising any significant changes to ONR's strategic risks and a copy of the strategic/ corporate risk register.
 - An Audit and Assurance progress report from the Head of Internal Audit and Regulatory Assurance summarising:
 - Work performed (and a comparison with work planned).
 - Key issues emerging from the work of Internal Audit and Regulatory Assurance.
 - Management response to recommendations.
 - Any changes to the agreed audit and assurance plan.
 - Any resourcing issues affecting the delivery of the objectives of internal audit and regulatory assurance.
 - A progress report (written or oral) from the External Audit representative summarising work done and emerging findings (this may include, where relevant to ONR aspects of the wider work carried out by NAO, for example Value for Money reports and good practice findings).
 - Any management assurance reports.
 - Any reports on the management of major incidents, "near misses" and lessons learned.
51. As and when appropriate, the ARAC will also be provided with:
- Proposals for the terms of reference for internal audit/ the internal audit charter.
 - The internal audit strategy/ plan.
 - The Head of Internal Audit's opinion and Report.
 - Quality assurance reports on the internal audit function.
 - ONR's draft accounts.
 - ONR's draft Governance Statement.

- A report on any changes to accounting policies.
- External Audit's Management Letter and external audit.
- ONR's Risk Management Strategy.
- A report on any proposals to tender for audit functions.
- An update report on contract procurement and management. This will include an annual report on value for money within the end of year paper.
- A summary of risks including those below strategic risk level sufficient to give the committee an understanding of the risk landscape.

OFFICE FOR NUCLEAR REGULATION

REMUNERATION COMMITTEE

Remuneration Committee Role and Functions - summary

The Remuneration Committee has oversight over all matters relating to the remuneration and performance of the Executive Board Directors and the framework for SCS equivalent staff.

The Remuneration Committee is a standing committee of the ONR Board and is chaired by an ONR Non-Executive Board Member.

The Committee will normally meet at least twice a year in line with the mid-year and end of year performance appraisal cycle; or as otherwise determined.

Terms of Reference - Revised as at June 2018

Membership

1. The Committee shall be made up of at least three members who are also Non-Executive ONR Board members.
2. The membership of the Remuneration Committee is:
 - 3 Non Executive Board members, including the ONR Chair.
3. The Committee Secretary is provided by the ONR Secretariat.

Appointments

4. The Board appoints the Chair and members of the Committee.
5. Appointments shall be for a period of two to three years or for such period as the Board/ Chair determines.

Reporting

6. The Secretary will minute the proceedings and key points and decisions of all committee meetings, including the names of those present and in attendance.

7. The Chair will establish, at the beginning of each meeting, the existence of any conflicts of interest and they will be minuted by the Secretary accordingly.
8. The Secretary to the Committee will promptly circulate (within five working days) the minutes to the Chair for comment. They will be circulated to committee members and the Board where appropriate, once approved, but will otherwise remain confidential.
9. The Chair shall report annually to the ONR Board, and at other times as considered appropriate.

Responsibilities

10. Determining or setting the framework for remuneration and performance for the Executive Board Directors.
11. Achieving a fair, appropriate and motivational reward package for SCS equivalent staff.
12. Approving periodic reviews of Executive Board Directors remuneration and annual bonus awards.
13. Taking into account all factors which it deems necessary, including the remuneration arrangements in the rest of the organisation, public sector pay policy and any relevant legal requirements
14. Recommending and monitoring the level and structure of remuneration for SCS staff equivalents who are not Executive Board Directors and through an assurance role, ensuring that the framework set for SCS equivalents is being applied consistently and operating as intended.
15. As required, advising the Secretary of State on remuneration for Non-Executive members, but not being involved in setting their remuneration levels.
16. "Horizon-scanning": key people management issues that the ONR will face in the future, including the framework for high-level remuneration including performance bonus framework.
17. Keeping under review the SCS equivalent staff pension arrangements.

Authority

18. The Committee is authorised to seek such information as it requires and may employ legal or other professional advisers to inform its activities within its remit. Arrangements are expected to be made through the ONR HR Director or ONR Secretariat and using the ONR's usual arrangements for legal advice where possible. Such specialists or advisers may be invited to attend meetings in an advisory capacity.

Meetings

19. The Committee will meet no less than twice per year. Typically, meetings will be scheduled to coincide with key dates in the performance management appraisal cycle.
20. Any Member may request a meeting if they consider that one is necessary and should consult the Chair as appropriate.
21. Meetings will normally be attended by the Chief Executive and HR Director. 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. No Executive Director or ONR official can be present when his or her own remuneration or terms and conditions are discussed.
22. The Committee shall, if it thinks it appropriate to do so, also ask ONR staff (including Executive Board members) or specialists from outside ONR to attend meetings. Other ONR Non-Executive Board members shall have a right of attendance, agreed with the Chair in advance.

Quorum

23. A minimum of two members of the Remuneration Committee will be present for the meeting to be deemed quorate.
24. Members' attendance through telephone or video link is permissible for the purposes of determining a quorum.
25. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.
26. Decisions by members will normally be taken by consensus, although any member may call for a vote to be taken. In such cases, the Chair has a casting vote.
27. Where the Committee Chair determines it appropriate, decisions may be taken by email.

28. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive members, once approved by the Chair and no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.
29. Where members are unable to attend the meeting, they should provide comments on any papers to the Committee Chair in advance of the meeting.
30. The Committee will review periodically its performance, constitution and terms of reference and recommend any changes to the Board for approval.

OFFICE FOR NUCLEAR REGULATION

NOMINATIONS COMMITTEE

Nominations Committee Role and Functions - Summary

The Nominations Committee makes recommendations to the Board for the appointment of new members resulting in advice to the Sponsor Minister as respects Non-Executive (not the HSE member) and CEO and CNI appointments. The Committee also advises on Board training and development matters.

It is a standing committee of the ONR Board and is chaired by the ONR Chair (subject to para 2 below).

The Committee normally meets twice a year or as otherwise determined.

Terms of reference for the Nominations Committee

Membership

1. The Committee shall be made up of at least three members who are Non-Executive ONR Board members.
2. The Chair of the Committee will be the ONR Chair (although he/she will not chair the committee if/when it is dealing with the appointment of his/her successor as ONR chair).
3. The membership of the Nominations Committee is:
 - 3 Non-Executive Board members.
4. The Committee Secretary is provided by ONR Secretariat.

Appointments

5. The Board appoints the members of the Committee.
6. Appointments shall be for a period of two to three years or for such periods as the Board/Chair determines.

Reporting

7. The Secretary will minute the proceedings and resolutions of all committee meetings, including the names of those present and in attendance.
8. Draft minutes of committee meetings will be circulated promptly (within five working days) to the Chair for comment and promptly to all members of the committee. Once approved, minutes should be circulated to all other members of the Board unless it would be inappropriate to do so.

Responsibilities

9. Regularly review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes resulting in onward advice to Ministers as respects Non-Executive (not the HSE member) and CEO & CNI appointments.
10. Consider, and keep under review, succession planning for Non-Executive Board members, the CEO and CNI, other Executive members and key senior roles, taking into account the challenges and opportunities facing the ONR, and the skills and expertise needed on the Board in the future.
11. Make recommendations to the Chair/Board concerning formulating plans for succession for both Executive and Non-Executive positions in order to provide advice to the Sponsor Minister with respect to Non-Executive and the CEO and CNI appointments.
12. Work with the Chief Executive Officer in keeping under review the Executive leadership needs of the organisation, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace.
13. Before any appointment is made to the Board, evaluate the balance of skills, knowledge, experience and diversity on the Board and, in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment for the Chair to advise the Sponsor Minister.
14. Review the results of the Board performance evaluation process that relate to the composition of the Board.
15. Review annually the time required from Non-Executive members. Performance evaluation should be used to assess whether the Non-Executive members are spending enough time to fulfil their duties.
16. Consider any matters relating to the continuation in office of any Board member at any time, and make recommendations accordingly for the Chair to consider with the ONR Board, as appropriate.

Authority

17. The Committee is authorised to seek such information as it requires and may employ legal or other professional advisers to inform its activities within its remit. Arrangements are expected to be made through the ONR HR Director or ONR Secretariat and using the ONR's usual arrangements for legal advice where possible.

Meetings

18. The Committee shall meet at least twice a year, or otherwise as required.
19. The Chief Executive will normally attend meetings. 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. No member or ONR official can be present when his or her own terms and conditions are discussed.
20. The Committee shall, if it thinks it appropriate to do so, also ask ONR staff (including Executive Board members) or specialists from outside ONR to attend meetings. Other ONR Non-Executive Board members shall have right of attendance, agreed in advance with the Committee chair.

Quorum

21. A minimum of two members of the Nominations Committee will be present for the meeting to be deemed quorate.
22. Members' attendance through telephone or video link is permissible for the purposes of determining a quorum.
23. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.
24. Decisions by members will normally be taken by consensus, although any member may call for a vote to be taken. In such cases, the Chair has a casting vote
25. Where the Committee Chair determines it appropriate, decisions may be taken by email.

26. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other Non-Executive members, no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.
27. Where members are unable to attend the meeting, they should provide comments on any papers to the Committee Chair in advance of the meeting.

**OFFICE FOR NUCLEAR REGULATION
SECURITY COMMITTEE**

Security Committee Role and Functions - Summary

The Security Committee is responsible for providing assurance to the Board that ONR is providing efficient and effective regulation of the nuclear industry with respect to risk and malicious intent, holding it to account on behalf of the public.

The Security Committee is a standing committee of the ONR Board and is chaired by the ONR “security” Non-Executive member.

The Committee will meet no less than four times a year or as otherwise determined.

Terms of Reference – Revised as at June 2017

A Membership

1. The Security Committee (SC) shall be made up of at least two members who are Non-Executive ONR Board members, one of whom shall be the member with experience of, or expertise in, matters relevant to civil nuclear security matters.
2. The current membership of the Security Committee is 3 Non-Executive Board members.
3. Expert ‘in attendance’ members are set out in Section E 15 below.
4. The Committee Secretary is provided by the ONR Secretariat.

B Appointments

5. The Board, in consultation with SC Chair, shall appoint members of the Committee.
6. Appointments shall be for a period of two to three years or for such periods as the Board/Chair determines.

C Reporting

7. The Secretary will minute the proceedings and resolutions of all committee meetings, including the names of those present and in attendance.

D Role and Functions – Summary

8. The Security Committee is responsible for providing assurance to the Board and thereby to Department for Business, Energy and Industrial Strategy (DBEIS), that ONR is providing efficient and effective regulation of the nuclear industry with respect to risks from malicious intent, holding it to account on behalf of the public.
9. The Security Committee is responsible for informing Board strategy and Board decisions through advice on corporate / strategic security regulation priorities, capacity, capabilities and vires, and key projects and risks including cyber security.
10. The Security Committee should complement the work of other elements of the ONR and DBEIS governance framework; in particular the ONR Audit and Risk Assurance Committee and the DBEIS Civil Nuclear Security Programme Board. The ONR ARAC may request the Security Committee to review particular risk mitigation plans, and seek advice, drawing upon its membership and professional competence. In turn the Security Committee may raise particular risks to the ONR ARAC for inclusion within the ONR strategic risk register.
11. The Security Committee is a standing committee of the ONR Board and is chaired by the ONR “security” Non-Executive member.
12. The Committee will meet no less than four times a year or as otherwise determined.
13. Draft minutes of committee meetings will be circulated promptly (within five working days) to the Chair for comment and then promptly to all members of the committee. Once approved, minutes will be circulated to all other members of the Board unless it would be inappropriate to do so.

E Responsibilities

14. The Committee’s primary functions are to:
 - i) Assure itself, and the Board and thereafter DBEIS, that ONR’s regulation of security at civil nuclear sites is efficient and effective, is focused on the Board’s priorities, and is achieving impact with duty holders.
 - ii) Ensure Board decisions on strategy, priorities and risk are properly informed on security regulation matters.

15. In attendance are representatives from DBEIS, MOD, the Civil Nuclear Constabulary (CNC), and the Centre for the Protection of National Infrastructure (CPNI). They will be responsible for bringing their own perspective on the effectiveness and efficiency of ONR's security assurance, as well as providing an industry perspective. They will provide both challenge and support to ONR's regulation of security.
16. The Committee will make an annual report to the Board covering these areas of responsibility and at other times as considered appropriate.
17. The Committee will review periodically its performance, constitution, Terms of reference and recommend any changes to the ONR Board for approval.

F Framework

18. The framework for the Committee's work consists of four main components.

- a) **Strategy and Priorities**

- i. ONR's strategy and plans for security regulation accord with ONR's corporate direction and priorities, and are resourced accordingly;
- ii. Oversight of civil nuclear security (CNS) regulation to ensure it remains fit for purpose especially that the security regulatory framework is evolving into an outcome focused approach by the duty holder and in future towards the goal of exemplary security regulation at civil nuclear sites including approved carriers;
- iii. ONR Board's decisions on strategy and priorities are appropriately informed on security issues and risks;
- iv. Oversee the relationship between ONR and other relevant organisations on policy, strategy and performance assurance matters relating to CNS activity including reviewing [formal] external reporting.

- b) **Managing Key Risks**

- i. Assurance that security regulation is tackling the highest risk areas and doing so in a proportionate way;
- ii. Assessment of the medium to longer term key risks to civil nuclear security and their implications for security regulation.

- c) **Assurance**

- i. From ONR's internal assurance mechanisms (regulatory and internal audit) that ONR's security regulation is effective and efficient and is subject to a continuous improvement drive.
- ii. That ONR is appropriately considering all security categories and themes including physical, personnel, and security in the digital age (cyber security and information assurance):
 - a. The relative risks in each case are fully understood;

- b. The balance of attention in security regulation is appropriately targeted at these three categories, according to the security risk presented.
- iii. That security regulation is integrated into holistic nuclear regulation across ONR and effectively coordinated with partner organisations;
- iv. Performance of security regulation can be assessed in a meaningful way including through impact/outcome metrics that demonstrates continuous improvement in the management/ mitigation of risk by civil nuclear site duty holders, learning from experience and good practice;
- v. ONR's security regulation is having a positive impact on dutyholders' delivery of nuclear security.

d) Capability and Best Practice

Assurance to the ONR Board that:

- i. ONR has access to the necessary regulatory tools, levers, capacity and capabilities now and into the future.
- ii. ONR is developing security regulation according to the lessons identified and learned.
- iii. ONR is working effectively with its partners, particularly in the Department for Business, Energy and Industrial Strategy (DBEIS), the Civil Nuclear Constabulary (CNC), the Ministry of Defence's Defence Security Regulator, and the Centre for the Protection of National Infrastructure (CPNI) and with those subject to regulation.

G Authority

19. The Committee is authorised by the Board to investigate any activity within its Terms of Reference and may:
- i. Co-opt additional members for a period not exceeding a year to provide specialist skills, knowledge and experience;
 - ii. Procure specialist ad-hoc advice at the expense of the organisation, subject to budgets agreed by the Board. Arrangements are expected to be made through the ONR Secretariat and using the ONR's usual arrangements for legal advice where possible;
 - iii. Seek any information it requires from ONR staff. ONR staff are expected to co-operate with any request made by the committee;
 - iv. Seek appropriate input to support its ToR from partner organisations⁵ via in-attendance representatives;
 - v. Have access to sufficient resources in order to carry out its duties, including access to the ONR Secretary for assistance as required.

⁵ Including National Cyber Security Centre

20. Given the Committee meets quarterly, and to avoid any significant delay, the functions which the Board has delegated to the SC may be exercised by the SC Chair, after consulting with one other Committee Member. The Chair should then report any such decision/actions to the next SC meeting for ratification, with an explanation of why the decision/action was taken.
21. The Committee shall be provided with appropriate and timely training, both for new members and on an on-going basis for all members.

H Meetings

22. The Committee will meet no less than four times a year. Typically, meetings will be scheduled to coincide with key dates within ONR's reporting cycle.
23. The Committee Chair may convene additional meetings as deemed necessary. Should any other attendee (external or internal) deem an additional meeting is necessary they should consult the ONR Secretariat or the Chair as appropriate.
24. Meetings will normally be attended by both the Chief Nuclear Inspector and the Divisional Director for Civil Nuclear Security.
25. 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.

I Quorum

26. A minimum of two members of the Committee will be present for the meeting to be deemed quorate. In addition, a meeting would only proceed if either the Chief Nuclear Inspector or the Divisional Director for Civil Nuclear Security were present.
27. Members' attendance through telephone or video link is permissible for the purposes of determining a quorum.
28. Where the SC Chair determines it appropriate, decisions may be taken by email. These decisions will then be recorded in the minutes of the following meeting.
29. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

30. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend and all other non-executive members, no later than five working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time.
31. Where members are unable to attend the meeting, they should provide comments on any papers to the Committee Chair in advance of the meeting.

J Information Requirements

32. For each meeting the Security Committee will be provided with :
 - An update on delivery of key projects in the Annual Plan
 - An update on Key Risks
 - The Risk Register reflecting the current status
 - An update on Performance against KPIs and impact measurement as part of ONR's wider Regulatory Effectiveness work (with the intent of implementation from beginning FY 17/18).
 - ONR internal assurance update, including regulatory and internal audit assurance
 - Any reports to be submitted externally i.e. BEIS quarterly reports
 - Any proposed report for the ONR Board
 - Other papers as appropriate.

OFFICE FOR NUCLEAR REGULATION (ONR)

STANDING ORDERS

Approved and Effective from 1 April 2014

Note: Except so far as the context otherwise requires, any reference in these Orders to the male gender shall be deemed to include the female.

MEETINGS OF THE MEMBERS OF THE ONR BOARD

Convening and attendance

1. The Board will normally meet six times per year. Other meetings will be convened as necessary to deal with any special or urgent matters of business.
2. The Chair may call a meeting of the Board at any time.
3. Except in cases of urgency, five clear days at least before a meeting of the Board, a notice to attend, issued by the ONR Secretary and specifying the business proposed to be transacted, shall be left at or sent by post or emailed to the usual place of residence or business of each Board member. The accidental failure to give notice to, or the non-receipt of a duly despatched notice by, a Board member shall not invalidate the proceedings at a meeting.
4. Meetings of the Board, or any committee of the Board, may take place in any part of the world and may take place via telephonic or similar means of communication notwithstanding that the Board members or Committee members present may not all be meeting in one particular place provided that all persons participating in the meeting can hear each other, and participation in a meeting in that manner shall be deemed to constitute presence in person at such meeting. A meeting held in accordance with this provision shall be deemed to take place where the Chair of the meeting is then present.
5. Where a Board member is unable to attend a Board or Committee of the Board meeting, that member shall notify the ONR Secretary of their absence in good time and will send by email to the ONR Secretary and/or Chair any comments on papers that member wishes to be registered on their behalf at the relevant meeting. The person nominated will normally convey any such comments at the relevant meeting.
6. All members of the ONR Board must act in the best interests of ONR and, collectively and must act in accordance with the Seven Principles of Public Life drawn up by the Nolan Committee.

Chair of Meeting

7. At a meeting of the Board the Chair shall preside. If the Chair is absent the Board members present shall choose a Non -Executive Board member to preside.

Quorum

8. No business shall be transacted at a meeting of the Board unless at least five Board members are present of which a majority shall be Non-Executive members.

Board Decisions and Voting

9. The Board will use all best endeavours to decide all questions (including the amendment of these Orders) by consensus. Where that cannot be achieved and a vote is necessary, such questions shall be decided by a majority of votes of those Board members present at a meeting of the Board.
10. In the case of an equality of votes the Chair of the meeting shall have a second or casting vote.
11. Voting shall be by show of hands, save that, at any meeting held in accordance with Standing Order 4 above, the Chair of the meeting shall call the roll of Board members and each Board member shall, on his name being called, and indicate his vote in such manner that all persons participating in the meeting can hear it.

Resolution

12. A Resolution in writing signed by all the Board members, or in respect of any Committee appointed under Order 17, by all of the members of such Committee, shall be as valid and effectual as if it had been passed at a meeting of the Board, or of such Committee, duly convened and held. (The terms "in writing" and "signed" shall include email, cable, telex and facsimile messages and any mode of reproducing words in a legible and non-transitory form).

Minutes

13. The names of the Board members present at a meeting of the Board shall be recorded in the minutes. The names of others in attendance shall also be so recorded.

14. Minutes of the meetings of the Board and of any Committee appointed under Order 17 shall be prepared by the ONR Board Secretary and submitted for approval to the respective Chairs within five working days of a meeting and then confirmed as to their accuracy at the next appropriate meeting. The minutes as approved shall be signed by the person in the chair at the meeting to which they are submitted and if so signed shall be received as conclusive evidence of the facts therein stated.
15. Copies of the minutes of each meeting of the Board shall be sent to each Board member before the next meeting (except where the second of the meetings referred to is called in a case of urgency, when the minutes shall be sent to each Board member before the next scheduled ordinary meeting).
16. The minutes of the Board and associated papers shall be published on the ONR website, subject to appropriate redactions relating to public bodies in relation to disclosure.

COMMITTEES

Appointment

17. The Board may appoint committees with or without plenary powers and may include such Board members as it may decide and with power to co-opt any Board member, to deal with any particular matter under the direction of the Board. Questions arising at a meeting of a committee shall be decided by consensus or otherwise by a majority of votes of the appointed Board members present. The Board shall determine the quorum for meetings of any committee.
18. Without prejudice to the generality of the foregoing, the Board shall appoint an Audit and Risk Assurance Committee, a Remuneration Committee, a Nominations Committee and a Security Committee, whose terms of reference shall be determined from time to time by the Board.

Regulations

19. Any Committee appointed under Order 17 hereof shall be governed by any regulations (including these Orders, which shall apply mutatis mutandis) made by the Board at the date of such appointment or from time to time thereafter.

ONR Board Secretary

20. Reference in these Orders to the ONR Board Secretary shall be construed as referring to the Secretary of the ONR or such other person as may be appointed by the Board to act for the ONR Secretary in the capacity of Secretary in his absence.

DECLARATIONS OF MEMBERS' INTEREST

21. (i) A Board member who is in any way directly or indirectly interested in any matter that is brought up for consideration at a meeting of the Board shall disclose the nature of his interest to the meeting.
- (ii) Where such a disclosure is made, the disclosure shall be recorded in the minutes of the meeting and the Board member shall not take part in any deliberation or decision with respect to that matter if the other Board members determine that the nature of the matter, the extent of the Board member's interest and any prejudicial effect of his joining in the consideration of that matter, are such that the Board member should not take part.
- (iii) For the purpose of sub-paragraph (i) of this Order, a general notification given at a meeting of the Board by any Board member to the effect that:-
- a) he is a member of a specified body, corporate or firm; and
 - b) he is to be regarded as interested in any matter involving that body or firm which falls to be considered after the giving of the notification shall be regarded as a sufficient disclosure of his interest in relation to any such matter.
- (iv) A Board member who is required under this Order to make a disclosure at any meeting need not attend in person to make the disclosure if he takes reasonable steps to secure that the disclosure is made by a notice which is taken into consideration and read at the meeting.
- (v) The ONR Secretary shall record in the minutes any disclosures made under this Order.
- (vi) The ONR Secretary will, at least annually, in March of each year, ask members to confirm their interests for inclusion on the Register of Interests maintained by him. Nevertheless, members should inform him of any changes in their interests as they occur, both for the purposes of updating the Register and, if necessary, for formal reporting to the Board.