Board meeting

11 December 2024

Governance updates

Purpose of paper

For approval

Board action required

The Board is asked to:

1. Approve the minor updates to the risk appetite statement
2. Note the outcome of the Remuneration Committee’s review of its effectiveness and approve the minor amendment to its terms of reference
3. Approve the minor amendments to the Audit and Risk Assurance Committee’s terms of reference

Brief summary

This item updates the Board on the outcome of the annual reviews of NICE’s risk appetite, and of the Remuneration Committee’s effectiveness. It seeks the Board’s approval for minor amendments to the risk appetite statement and Remuneration Committee’s terms of reference following these reviews, and also seeks the Board’s approval for a minor amendment to the Audit and Risk Assurance Committee’s terms of reference to address a recent internal audit recommendation.

Board sponsors

Sam Roberts, Chief Executive (for risk appetite)

Sharmila Nebhrajani, Chairman (for Remuneration Committee terms of reference)

Alina Lourie, Non-Executive Director and Audit and Risk Assurance Committee Chair (for Audit and Risk Assurance Committee terms of reference)

Risk appetite statement

NICE’s risk appetite statement is included within the risk management policy. The appetite was substantially updated in December last year following the board effectiveness review which recommended NICE should further develop its approach to risk and assurance. The policy states the Board will review the risk appetite annually.

The Executive Team (ET) and Audit and Risk Assurance Committee (ARAC) have therefore reviewed the risk appetite statement. Given the risk appetite statement was subject to extensive discussion last year and developed taking account of the HM Treasury orange book on risk management, it is not proposed to make extensive changes. Minor updates to clarify NICE’s approach to reputation risk and to highlight the need to consider the implications for NICE’s independence when working with partners are however proposed. The amended statement is presented at appendix 1 for the Board’s approval.

Remuneration Committee review of effectiveness and terms of reference

It is good practice for the Board and its committees to review their effectiveness annually. The Remuneration Committee therefore reviewed its effectiveness at its meeting on 28 November and confirmed it was operating in line with its terms of reference.

The Committee reviewed its terms of reference and confirmed the document remains consistent with current Department of Health and Social Care delegations. One small amendment is proposed – which is to state the terms of reference will be reviewed annually in line with the review period for other key documents in the governance framework. The updated document is presented at appendix 2 for the Board’s approval.

Audit and Risk Assurance Committee terms of reference

The Board has previously agreed through the standing orders that the Audit and Risk Assurance Committee will review the effectiveness of NICE’s health and safety policy. A recent internal audit on health and safety recommended that this role is documented in the committee’s terms of reference. The terms of reference have therefore been updated accordingly and are presented at appendix 3 for the Board’s approval. These include other minor updates that the committee have proposed.

Board action required

The Board is asked to:

* 1. Approve the minor updates to the risk appetite statement
	2. Note the outcome of the Remuneration Committee’s review of its effectiveness and approve the minor amendment to its terms of reference
	3. Approve the minor amendments to the Audit and Risk Assurance Committee’s terms of reference

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December 2024